

# DOCUMENTATION UPDATE

Our Note...

**Dear Reader,**

We are happy to share with you the DocUPDATE for the period October 2004 March 2005.

At the national level, the new government formed after the parliamentary elections ushered in the Common Minimum Program (CMP) with full credit support to boost the service sector, including tourism and bring in investments for tourism in Jammu & Kashmir and the Northeast. After assuming office, the first international meeting that the Prime Minister Mr. Manmohan Singh attended was the Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation (BIMSTEC) conference in Bangkok wherein tourism has been identified as a thrust area in an environment of free trade in part of the South Asia region, comprising of Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. India has taken over from Sri Lanka as the lead country in the tourism sector.

With a new minister Ms. Renuka Chowdhury at the helm of affairs, it was expected that the previous trends would continue with a fresh perspective. True to this point, the new minister of tourism, Government of India has aimed for large-scale tourism development with a strategy of involving more private players and foreign investment to determine the course of tourism development in India. The minister has laid emphasis on increasing air, rail and road connectivity for better access to existing and new destinations to be created, and to the 22 world heritage sites of India. She hopes to achieve these through inter-ministerial cooperation.

India has proposed to set up a national tourism board on the lines of Singapore and Hong Kong to “hard sell India as a tourist destination” for medical, religious and eco tourism. Having identified 31 villages to promote them as ecotourism destinations, the ministry has finally talked of regulation in these villages to ensure that the ecological set up is not disturbed. The growth of tourism in India has been attributed to robust economic growth and ongoing peace processes with Pakistan.

The ministry has further proposed a “single stop clearance” for the tourism sector and providing it with infrastructure status. This is being done to accelerate tourism growth. Previously, there have been “single window clearance” schemes, which had come in for criticism because (given the tourism industry’s track record of sidelining norms) this would only lead to more violations by the tourism industry. Apart from various licenses that the tourism industry requires for operations, important processes like environmental impact assessments would be diluted and reduced to a formality exercise. More important is the centralization of authority, reducing local governance institutions to mere spectators to be satisfied to collect the building taxes. Moreover, the tourism industry pressurizes the local governance institutions to provide basic amenities in destinations.

The ministry at the central level and the tourism departments at the state level are yet to address the dynamics of these shifting responsibilities. To sum up, the challenges we faced this year remained the same despite change of Government.



**D o c U p d a t e**  
**O C T O B E R 2 0 0 4 - M A R C H 2 0 0 5**

On part of the tourism industry, mainstream perspective on tourism development continues. As with the tourism ministry, although now desiring to work with other ministries to streamline tourism growth, there seems to be disconnect on the side of other sectors as was evident from Draft National Environment Policy (NEP) 2004. The NEP was a completely inward looking document and wanted ecotourism as panacea in all natural and wildlife-rich areas.

There have been some faint rays of hope on the horizon as well. The ministry has mooted drafting national responsible tourism guidelines; approved a community oriented / based environmental and social impact assessment as a key component of an ongoing project<sup>1</sup> in Nagaland. These are significant steps that reflect the ministry's changing position to environmental and social sensitivities in tourism development. In an interesting development the West Bengal government dropped its plans<sup>2</sup> of a 'mega-ecotourism' project in the Sundarban Biosphere Reserve quoting environmental concerns. These are important changes to consider for lobbying with the government to bring in regulations, planned approach and ecosystem/people sensitivities in tourism development, which so far has gone on without it. In a significant development, the Department of Women & Child Development stated their interest to intervene against trafficking of women and children in tourism areas. Goa, which introduced the Goa Child Act in 2003 to check the sexual exploitation of children by the pedophile tourists, has commenced its implementation. This may be a good precedence for other states to follow.

At the regional level, states of Karnataka, Kerala, Tamil Nadu & Pondicherry and Andhra Pradesh, have prioritised tourism as a thrust sector. Kerala takes the lead in the region and the behaviour of other states is to follow the Kerala model of tourism development. Kerala has become more sophisticated in its approach to tourism, but the other states are bent on "reinventing the wheel" to reach where Kerala is today. In each of the states, the focus is on large-scale infrastructure, hospitality industry and diversification of tourism products. A token mention of environmental and community concerns finds place in policies and policy notes, but how this will be implemented is not clearly spelt out. On the other hand, the areas earmarked for development have clear plans for land acquisition without regard to displacement issues, infrastructure requirements, and capital investment and the states' support in the form of subsidies and incentives. The pattern that all states are, including those in other parts of India, following is hiring of professional consultants to prepare policy, management and implementation plans. With this mode of tourism development, the result is harmonization of frameworks for movement of capital, domestic and international.

This is further strengthened by our analysis that there is a process of integration of spaces in operation. Take the west coast of India for instance; the course of action is to develop areas adjoining state boundaries as is evident by Kerala wanting to promote Bekal (declared as a special tourism area) in the north and Karnataka to promote the Dakshina Kannada in the south. Similarly, Uttar Kannada (north) with Goa, and Goa with Sindhudurg (declared as a special tourism area) and then with Mumbai in Maharashtra. A parallel process is ongoing in the Western Ghats. This would lead us to visualize two parallel belts of tourism development, coastal and high range with a tourism circuit touching both these ecosystems. Thereby emerges a condition where the space is valorized and the resources are de-valorized, with environmental concerns thrown to the winds. This is also reflected by the large-scale violations of environmental legislations and the demand from government and industry for deregulation and dilution of existing norms. This may also be generalized to be occurring at the intra and inter national level, if we take the cases of the Sundarban Biosphere Reserve and Andaman & Nicobar Islands. The Islands have been linked up to Phuket in Thailand

and Kerala circuitizes its tourism with Sri Lanka and Maldives.

The process of integration of spaces for expanding tourism brings in shrinking spaces for local communities, especially fisher folks and for hill tribes, forest dwellers. The space is recreated, reproduced and reconstructed, which further alienates the local communities and finally detaches them from their traditional habitats. Some hotels in Kerala and Tamil Nadu continue to illegally declare beaches as private and restrict access to the communities. With denial of access to local communities and their detachment comes denial of livelihoods, and with denial of livelihoods comes the wiping out of the history of a community.

With the active nexus of governments (read politicians) and the tourism industry, and bundling of contradictions, the governments have only accelerated the integration of spaces and have set bad examples in governance. The contradictions have surfaced in the case of Tamil Nadu where the Coastal Regulation Zone Notification, earlier violated in connivance with the development lobby of tourism, aquaculture, private land developers etc., is being evoked to displace coastal communities beyond 1000m from the high tide line (HTL). On the contrary, by CRZ governing the area 500m from the HTL only, permits habitation of coastal communities and their activities. In a sensitive situation post tsunami, the government is behaving in a most insensitive and ruthless manner, with long term self interest on its agenda (for gaining complete access and control over the coastal areas). The government of Tamil Nadu, as also the Administration of the Andaman & Nicobar Islands, has been audacious enough to announce at the International Tourism Bureau, Berlin this year that they are ready to receive tourists and all things are back to normal.

Karnataka has specialized into different forms of tourism like education tourism, IT tourism, health tourism, and business / conference tourism; the mantra being more diverse the products the more the tourism. A Rs. 600 crore tourism master plan is ready and awaiting implementation to bring in tourists by the droves. The main thrust of the master plan and tourism policy is to promote tourism-led activity through private sector. Even though the policy highlights development of tourism infrastructure and amenities (like accommodation, transportation, wayside, adventure tourism, amusement parks, water sports, zoo, heritage centres etc) at the same time it is silent on issues to be urgently addressed like environmental degradation, alienation of indigenous people, carrying capacity of destinations, cultural decay, child trafficking and sex tourism. The policy has not mentioned the involvement of local communities in tourism policy-making nor does it outline any role for panchayats. Karnataka is one of the favoured destinations for World Bank and ADB for financial operations and policy advice; much of its basic amenities such as health care services, education, and water are being driven by Multilateral Development Banks (MDBs). These policies are being pushed through loan conditions, and direct financing of transactional corporations. In the light of growing investments in Karnataka, there has been growing regional disparity in terms of economic and social development. Now Karnataka tourism is attempting something even beyond the ambitious. The master plan proposal is in addition to the 29 projects that Karnataka has proposed to the Centre for funding at an estimated cost of Rs 145 crore for the year 2005-06. Last year, the state got more than Rs 30 crore from the central government, but with the union tourism ministry's allocation being increased by over 50 per cent to Rs 828 crore, Karnataka is pitching for a bigger share.

The budget for Karnataka has been hiked from Rs 500 crores to Rs 780 crore; allocation for domestic tourism campaign has been hiked five times, from Rs 14 crore (2004-05) to Rs 70 crore in the new budget. There has also

been an increase in allocation for tourism infrastructure creation, such as Yatri nivas, wayside amenities, forest lodges, tourist transport etc.

Kerala continues to exploit every source of tourism potential with its intensive marketing and the foreign tourists arrivals are being shown as 17.28% increase this year. With the government concentrating on promotion, the government has failed to impose restrictions on unethical practices that have developed in the name of tourism. Although the government has taken decisions to come up with regulations in the case of backwater tourism and *Ayurveda* tourism, this was not effectively implemented. It is noteworthy that political parties have taken up issues on tourism resulting in campaigns and discussions in the State Assembly. The State also witnessed dual stances being taken by the government on various issues. The newly proposed Kerala Tourism (Conservation & Preservation of Tourism Areas) Act, 2005 has stripped the Panchayat off of their powers, while the Tourism Vision 2025 document strategies to promote sustainable tourism development with focus on conservation and preservation and to regulate tourism activities through participation of panchayats. The state, which is keen to be known as favouring "environment-friendly tourism" has sought "exemption" from the Coastal Regulation Zone Notification in areas where tourism potential exists saying the guidelines were hampering development process in the state. These dual stances are evident even in the way the government reacts to issues raised by EQUATIONS. Criticisms raised by EQUATIONS are countered as a "lobby from outside to hinder the tourism development in the state" while on the other hand the government is also keen to work with us on sustainability issues.

The state government has been planning to make the state a nottobemissed tourist destination. The 64th SKAL3 World Congress, which was held in Chennai during October 2003, has enabled the state to make its presence strongly felt in the tourism sector internationally. The Tamil Nadu tourism policy is based on the seven-point action plan unveiled by the Chief Minister of Tamil Nadu. Tamil Nadu has been projected as "India's emerging destination" by the prestigious tourism magazine Long Haul, in its ITB Berlin issue in March 2004. Having this as a morale boosting the tourism department has given much importance to infrastructure with the international standard. It has clearly stated its role as a mere facilitator and invited private investors for executing mega projects like cable car, sound and light show, cruise vessel operations, air/sea sports, spa resorts, etc.

About 85% of the investment is to be spent on infrastructure development, especially in Kanyakumari and Mamallapuram. Since the investment on IT has been increasing in the state, the tourism department is linking both IT and tourism (e.g., Rs 43 crore has been allotted for a 6-lane IT express way between Mamallapuram to Madhyakailash). For Kanyakumari a total of Rs.33.55 crores has been spent on 376 km roads and 12 bridges for connecting the Highways in Kanyakumari. Few new ideas have been brought out to promote tourism in Tamil Nadu like:

- Integrated development of tourism circuits
- Promotion of rural tourism
- Large revenue generating projects like luxury trains, cruise terminals, ropeways
- Development of tourism village near Mamallapuram
- Developing ecotourism destinations Pitchavaram, MGR Thittu, Chinnavaikkal, Porto Novo), Kodiakkarai (Point Calimere) and Muthupet.
- Sound and light shows.
- Medical tourism.
- Regional tourism grid: comprising South India, Sri Lanka and Maldives.
- Privatization



The state government has increased the budget from a mere Rs. 5 crores in 2000-2001 to Rs. 32.42 crores in 2005-2006. There is no policy note for the year 2005-2006 and in the earlier one there is no mention of community participation, instead the policy clearly harps on the need of private investment.

The recent Tsunami that struck the east coast of Tamil Nadu and Pondicherry has damaged most of the beach tourism destinations in Tamil Nadu. Mamallapuram, Kanyakumari, Velankanni were among the worst affected areas. In spite the disaster, the tourism department of Tamil Nadu has organized a dance festival in Mamallapuram from 7th January 2005 and continued it till 30th January 2005. The commitment of the government is on bringing normalcy in the affected areas, but the reality is that the government, in the backdrop of the tsunami, is using this pretext to forward the development agenda.

Andhra Pradesh Tourism Development Corporation has ventured on an aggressive promotional drive, in an effort to boost tourism both at national and international levels. With a vision, 'Bring the world to AP', and 'Take AP to the world', the government plans to make the state the ultimate destination in India by the year 2020. The tourism minister of India hails from Andhra Pradesh and she has identified religious tourism as a focus area. Based on this, Andhra Pradesh has embarked on creating niche in this segment (religious tourism) by aggressively promoting the Buddhist pilgrimage circuit to both domestic and international tourists from Japan, Korea, Sri Lanka and China.

It seems as though tourism is being replanned to give itself a new dimension. We in EQUATIONS are trying to analyse the trends and debates that are emerging from the tourism and related development area. This edition covers materials from Newspapers, Weekly, Magazines, Journals and Books. While compiling this edition, we have also looked at information available on the web and that we receive through list serves via e-mail. The selected information is indicative of trends in tourism development, especially in India. Issues are presented under headings based on the sections in our classification code. Apart from tourism issues, some sections deal with issues related to development in general.

At this point, the team would like to acknowledge the contribution of Ms. Nina Rao, Delhi, Bailancho Saad, Goa, CAG (Citizens, Consumer and Civic Action Group), Chennai for providing us with regional news clippings and statewide reports to understand, analyse trends at the state level and to engage with debates. We request feedback from our readers about this document, its information and features you would like to share with us.



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## A - TOURISM AND TOURISM ALTERNATIVES

### A00 Tourism & Travel

India could soon emerge as a major force in the tourism sector and the momentum has already set in. A forecast survey from Pacific Asia Travel Association (PATA) on the Asia Pacific region states India will show an annual growth of 13.7 per cent in 2003-07. India, in particular, joins an elite club of 33 other markets of Asia-Pacific that will see double-digit growth. Inbound arrivals to India are expected to touch 45.56 lakh in 2007, compared to just 27.26 lakh in 2002. "But this will happen only if you improve your infrastructure," warns John Koldowski, Director (Strategy) PATA, and Bangkok.

Presented at Travel World 2005 an Indian Express Group event the PATA forecast elaborates that India has posted an annual average growth rate of 19.22 per cent in 2003-05, much ahead of Maldives (13.21%), Sri Lanka (10.95%). It's this revolution that Travel World-2005 showcased over the past four days, as it brought industry's 200 big names, both national and international, into its event umbrella. Medical tourism is another big area waiting to be tapped. Anupam Verma, secretary of Medical Tourism Council of Maharashtra, feels half the battle is won if the finance minister on the D-Day makes even a mention of medical tourism. (*South Asia high on tourism, IE.C, 27.2.05, A 00*)

This year, Delhi jostled alongside Washington DC and Beijing to grab the opportunity to host the 2005 World Travel and Tourism Council (WTTC) global summit and won the vote unanimously. India has made it to the tourism world map, but there's a catch: We need at least 90,000 more hotel rooms (in the five-star segment) and therefore, an investment of Rs 80,000 crore to fall in line with internationally-benchmarked tourism models. According to the 2004 Travel and Tourism Economic Survey released by WTTC, India's share vis-à-vis total world demand hovers around 0.7 to 0.8 per cent. Last year, while tourism in Malaysia (ranked third in terms of real growth) and China (ranked 11th) grew by 17 and 13.5 per cent respectively, India (ranked 50th) grew at just 10 per cent. While economic activity in the sector was \$38.8 billion, it is projected to grow to \$90.4 billion by 2014. "For that, we need to increase inbound traffic from 3.2 million to 10 million in six to seven years' time," says Lalit Sun, global member of WTTC and a member of its executive committee. (*India arrives on tourism Map, Sushmita Bose, HT .D, 6.3.05*)

Come to India if you are lean, mean and hungry and looking for low prices, but not if you are looking for tourism infrastructure, openness and a high index of local participation in the travel trade, according to a leading private tourism company survey. The survey, issued by the **World Travel & Tourism Council** (WTTC), the only body representing the private sector in all parts of the global travel and tourism industry, puts India second among 200 countries ranked for price competitiveness. Brazil is even cheaper than India, the survey said. But somewhat embarrassingly, India comes in at 97 for tourism openness, which is the extent to which institutions are open to tourism. It is 105 for its tourism green awareness and a laggardly 119 in terms of social development. The WTTC says its survey is not about India as a destination but about tourism development there. The Council's Olivia Ruggles-Brise told TNN the statistics were meant primarily for tourism investors. But she admitted they did factor in elements about things as they are now in Indian tourism. With determined optimism, the Council insisted the tourism outlook for India could not be described as dismal. An earlier WTTC forecast on growth in demand by 2014 put India at number 2, right after the rather unlikely-sounding hot destination of tomorrow, Montenegro.

In a nod to the remarkable malleability of statistics and with an unintended lessening of its import for India, Ruggles-Brise explained that Montenegro's remarkable forecast growth started from such a low level that any growth was deemed runaway. The WTTC, which has an exceedingly active India chapter, is a forum for global

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business leaders comprising the presidents, chairs and CEOs of 100 of the world's leading travel-related companies, including Marriott, Hilton, AEX, British Airways and Indian firms Taj, Oberoi and Jet Airways. The London-headquartered Council's President, Jean-Claude Baumgarten said: "We are delighted that the monitor, now in its fourth year, continues to be a vital tool for governments and researchers to track the impact of policy decisions on Travel & Tourism development."

Added Ruggles-Brise, "The Council's lobbying has been very successful in India, with the Prime Minister including tourism in one of his speeches a couple of years ago." The new statistics are based on a set of social and economic data and meant for prime listening for governments, policy makers, travel and tourism companies, investors and academics on how to unlock the full economic potential of an industry that employs some 200 million people worldwide and generates more than 10 per cent of the world's GDP. (*India travels to poles in tourism index, Rashmee. Z. Ahmed, Times of India, Bangalore dated 23.11.2004*)

### A10 Tourism & Development

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The three-day meet of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Co-operation (BIMSTEC) countries' Tourism Ministers has decided to set up a "tourism fund" for joint publicity and



promotion of tourist destinations of the BIMSTEC-member countries. There is also a plan to establish a Tourism Information Centre in India for producing and updating publicity and collateral material. The proposed fund will be created with an initial annual contribution of \$10,000 by each BIMSTEC country while the Asian Development Bank has agreed to provide technical and financial support to help BIMSTEC develop and promote tourism sector in South Asia. (BIMSTEC nations to set up tourism fund, BLC, 26.2.05, A10)

### A 31 Alternative Development Ideas, Sustainable Development

As agriculture evolved into a more productive activity, it became more energy-intensive too. In the process of this transformation, the varieties of crops chosen, though high-yielding, were found to be prone to epidemic diseases. This led to extensive use of pesticides and insecticides. The changes in environment caused due to agricultural practices are varied: Defacement of land, deforestation, loosening of soil structure, depletion of soil nutrients, water logging, depletion of ground water resources, multiple nutrient imbalance, changing pest-disease-weed syndrome, eutrophication (enriched nutrient content) of water bodies and methaemoglobinaemia (a kind of anemia caused by water containing nitrates). Agriculture is the most dominant land-using activity. As settled agriculture encroaches further into forests and fragile areas, the ecosystem gets destroyed with universally acknowledged adverse impact on all forms of life. Deforestation is already known to have caused irreversible damage in some areas and its continuation could lead to ecological disasters. At the current rate of forest loss in developing countries, at over half a percent a year is perceived as jeopardizing the sustainability of the whole pyramid of systems for human support based on plant life. Removal of forest cover also upsets the natural hydrological system reducing water-holding capacities of land, leading to flash floods, soil erosion and the consequent dry season water shortages downstream.

As India has graduates from an importer of agricultural produce to a net exporter, environmental barriers to trade need to be prevented. The Government could determine a set of practices conforming to international standards for producing agricultural products. There is also a need for greater attention to pre- and post-harvest technologies and value addition to primary commodities as well as sanitary and phytosanitary measures, facilities for detecting aflatoxins and pesticide residues and the adoption of CA standards. The farmers should, therefore, be trained to limit usage of agro-inputs that can have negative environmental impact, such as pesticides and fertilizers. Since quality considerations need to be mainstreamed in all agricultural enterprises, a vigorous movement may be launched to educate in every village Panchayat two-three farmers on quality issues. They, in turn, should play an active role as quality supervisors in their areas for improving farm practices by maintaining quality while producing, harvesting and value adding agro-products. (Agriculture and environment Case for sustainability; Ishita G. Tripathy; K. K. Tripathy BLB, 10.11.04, A 31)

### A 50 Organizations working with tourism

In what is being described as the Johnnie Walker Black Label scandal in the tourism ministry, the arbitrary manner in which attempts are being made by senior officials allegedly at the behest of minister Renuka Chowdhury -to manipulate the purchase of the popular scotch whisky brand from a Dubai-based firm has resulted in several existing rules being given the go-by. Tourism secretary Uma Pillai and ITDC chairman Amitabh Kant have already been relieved of their portfolios. In the past week, 34 persons, including seven from duty free shops, have been transferred hurriedly. ITDC employees allege that both in Mumbai and Delhi where duty free operations are huge, a move to bring in tainted officials has been initiated. Few Sources said the absence of Johnnie Walker brands from Delhi airport has already resulted in a loss of Rs 19.32 crore besides the recurring loss of Rs 7 crore per month. The charge against the minister is that she has been trying to accommodate the Dubai based supplier. (Scotchgate rocks tourism ministry, HTB, 23.2.05)

### A 80 Tourism Research/Education

Edutourism is defined as "travel for the purpose of formal and informal education and training in life-long learning experiences in the host country's unique natural and multi-cultural environment." Edutourism is an important part of a much larger effort within the tourism industry to bring in individuals, groups, and organisations to enjoy and utilise the country's facilities, culture and unique natural resources. The idea of eco-tourism is to consciously strive to minimize disruptive effects on the local environment and community. For instance, not demanding or providing motorized transportation where for centuries only footpaths have existed, or not demanding or permitting the erection of a Macdonald's fast food restaurant where the local cuisine has always been served from small family-owned restaurants, or not demanding or permitting the erection of an eyesore of a high rise hotel on a beachside location where small scale, family-owned hotels already exist, or not excluding the native people from participation in the tourist economy unless they learn to speak English and dress like Europeans. However, as is being discovered in various countries, eco-tourism's utopian image does not live up to its inevitable consequences in an unregulated free market. Once the number of tourists reaches a certain level, the environmental and cultural impact becomes negative very quickly, thus negating the whole concept of eco-tourism. The reality is that any new industry seems good until it grows beyond its healthy stage of application. "Educational tourism is one of the niche markets that offers visitors different experiences other than just the sand, surf and sun," says the Hawaii Tourism Authority Executive Director, Rex Johnson. (Edutourism: learning plus fun: Soaking in the culture of the host nation while studying abroad is a wonderful experience, J.L. GANDHI, TH.B, 14.3.05, A 80)

To give a boost to in-bound tourism in the northern region, the Delhi High Court has ordered the ministry of tourism to hold entrance exams for tourist guides and ensure they are graduates as well as proficient in one foreign language. The exams have to be held every two years. Those aged between 20- 45 years can appear for these exams. Further, the department of tourism has been restrained from giving tourist guides licenses to retired government servants. Justice Manmohan Sarin said licensed tourist guides are imperative for sustained development of tourism in the country "A dissatisfied guide far from promoting tourism could adversely affect the tourism scenario and the image of the country" Justice Sarin observed in his order. While laying down the guidelines for future, Justice Sarin allowed the unlicensed guides to sit for the entrance examination on the condition that if they qualify they would complete graduation within four to five years. But the number of licenses which have to be granted after every two years need to be determined vis-a-vis the flow of tourists and their profile. (High court orders entrance exams for tourist guides, Bhadra Sinha, TOI.D, 11.03.05)

## B- TOURISM POLICY AND TOURISM DEVELOPMENT

### B 40 Bilateral and Multilateral Agreement

Come January and the first goods train carrying Indian exports to Nepal will cross over the India-Nepal border in Raxaul (Bihar) and enter the Nepalese territory to reach the Birgunje inland container depot (ICD), provided everything takes place as planned at both sides of the border. At a high-level meeting held recently, senior officials of the governments of India and Nepal discussed threadbare on how to start the direct railway movement of bilateral traffic at the earliest. It was felt that such movement could take place as soon as the Customs procedures in both the countries were in place. The infrastructure is already there. Officials represented the Indian side from the Ministries of Railways, External Affairs and Finance, while the Joint Secretary in the Ministry of Commerce, Industry and Civil Supplies of that country led the Nepalese delegation. No wonder, the large part of the bilateral trade is transported by road, which is much costlier



than the rail movement. Once the proposed railway arrangement is in force, exporters from any part of India to Nepal will be able to move consignments by rail straight into the Nepalese territory. (*Direct railway movement of bilateral traffic to Nepal soon: It was felt that such movement could take place as soon as the Customs procedures in both the countries were in place, B 40, BL B, 9.11.04*)

## C- TOURISM ECONOMY, INDIAN ECONOMY

### C 00 Tourism Economy and Tourism Infrastructure

Foreign Exchange receipts from tourism continue to be buoyant. For the ten-month period January-October 2004, forex receipts from tourism were US \$3853 million, up by 38 % over the corresponding period. This amount exceeds the forex receipts of US \$ 3602 million earned during the calendar year January-December 2003. In rupee terms, for the ten month period, forex receipts have reported a 33 % growth to Rs 17, 473 crore from Rs 13,103 crore. Income from tourism was stagnant for a long time between the millennium years 2000 and July2003. According to the department of tourism, the state of Rajasthan has had the largest number of foreign tourist arrivals during the calendar year 2004. During the first half of 2004, Rajasthan had 400,000 foreign tourists and 5.5 million domestic visitors. This has effectively meant a 63 percent rise in the number of foreign tourists and a 33 percent increase in the number of domestic visitors to the state over the previous year.

Travel operators said the famous “golden triangle”, comprising Delhi, Agra and Jaipur, has put Jaipur and the state of Rajasthan on the world tourism map. Almost 60 percent of foreign tourists visiting India visit these places. (*Tourism forex earnings buoyant, Meena Nichani, C 00, ET-B, 22.11.04*)

The long-drawn demand of providing sectors like agriculture, tourism, housing, hotel and hospitals the infrastructure tag may just turn out to be a reality in the forthcoming Budget 2005-06. The move is intended not only to incentives massive investments into these sectors, but also to provide proper policy support for funding from the banking industry. The ministry of finance (MoF), in a note circulated to all state-owned bank chiefs, has suggested a three-pronged action plan to give a boost to the infrastructure sector and facilitate their funding by banks. In the first step, the MoF suggests amendment of Rule 20 of Section 80 IA (12 ca) of IT Rule 1962 to widen the scope of infrastructure to include agriculture, housing, hotels and hospitals. (*Hotels, tourism, agri & housing to get infrastructure tag, Sitanshu Swain. FE.C, 15.2.05, C00*)

### C01 Tourism Sector Budgets

Tourism minister Renuka Choudhary is on slippery ground. In a recent development, finance minister P Chidambaram has not only pulled her up for discrepancies in the annual budget and non-utilization of sanctioned funds but also decided to cut down allocations to the ministry. To reduce the tourism ministry's budget from Rs 500 crore to Rs 400 crore. The FM's tough stand is a major setback for Renuka who has been loudly announcing the launches of various projects. Chidambaram instead wrote back on January 22 saying that the finance ministry had found instances of disproportionate expenditure by her ministry. The tourism ministry had by November 2004 spent only 125 crore, but by December, the expenditure went up to Rs 233 crore. "The proposal has been examined in the ministry. I am informed that the expenditure up to November 30, 2004 was only Rs 125 crore but during the month of December 2004, Rs 233 crore were spent. "you will agree that this expenditure is highly disproportionate to the level of expenditure in earlier months," FM wrote to tourism minister, he also hinted that the projects may not have taken off properly and suggested that she take a stock of things and find out how much money was used and how. (*FM pulls up Renuka over tourism budget, Vineeta Pandey, TOI.D, 13.2.05*)

## C10 Indian Economy

US Senator Larry Pressler, who was the moving force behind the legislation that denied American military supplies to Pakistan for a long time, has proposed US-India Free Trade Agreement (FTA) and closer military cooperation as an offset against China. "I would love to see free trade agreement between India and us and we can (together) offset China in security matters," Mr. Pressler said at a conference organized by Nasscom. He also said India and the US were on the verge of a golden age in their relations and irrespective of the outcome of US presidential elections India would have a friend in the White House. (*Pressler for Indo-US free trade, FE.B, 10. 10. 2004*)

Imagine how the Indian economy would have looked if the license raj had not been abolished in the early 1990s. 'India Shining' was clearly a product of the economic liberalization that unbound the spirit of enterprise from the stranglehold of a control and command structure. The rest as they say is history. While the markets were booming, the resulting economic expansion increased the demand for infrastructure services that were hitherto in the public sector domain. Conforming to the mantra of liberalization, the infrastructure ministries announced their respective policies for inviting private participation to bridge the yawning investment gaps. In practice, however, the ground rules were so laid out that the prospective investors were short of a level playing field and the requisite regulatory framework.

Highways were no different. Public-private partnerships (PPP) were eminently feasible and the Golden Quadrilateral, for example, could have been completed at less than one-fourth the cost to the exchequer, with far greater speed and efficiency. It is the largest highway project in India; its capital cost exceeds Rs 700 crore; it is being built through PPP; and is nearing completion despite apathy of the incumbent government entities that took five years to award the concession. This model is eminently replicable, if only the policy formulation is wrested out of the incumbent's control. (*To Market, To Market: Dismantle Govt Control Over Infrastructure, Gajendra Haldea, Tol.B, 4.10.04, C 10*)

In a clear indication that the government is firm on attracting more FDI, Prime Minister Manmohan Singh said, "acceleration of economic growth will require substantial increase in the volume of investment in the economy, both domestic and foreign." At the Third India-Asean Business summit, Singh said infrastructure would continue to get the government's highest priority. To attract private investment and FDI in infrastructure, the government will create a conducive climate and for this work has already begun to create a regulatory framework, which will be transparent and independent, Singh said.

Stating that the Indian economy can absorb up to \$150 billion of FDI in the infrastructure sector over the next 10 years, Singh said "The requirements of our airports and railways will alone amount to over \$55 billion in the next ten years. Our power sector needs \$75 billion and the telecom sector \$25 billion over the next five years". Deputy chairman of the Planning Commission, Montek Singh Ahluwalia, said that while the government will give maximum priority to infrastructure, private investment in the sector is needed. Public investment will come in and will be increased, but the bulk of it will go to the Prime Minister also added that India and Asean would work together for creation of regional trade and investment area to take bilateral trade to \$30 billion by 2007. This is to be achieved through progressive elimination of tariff and non-tariff barriers, progressive liberalization of trade in services and through liberal and competitive investment regime, Mr. Singh said. (*For 7-8% growth, we need FDI, lots of FDI, FE.B, 20.10.2004*)

India has a strategic position in South Asia and can become a gateway for Thailand in the region, a Thai minister said here as the two countries began negotiating in the second phase of the Free Trade Agreement (FTA). The first phase of the 82 items under the early harvest scheme of the India-Thailand FTA came into



effect from September this year. "This is a perfect time when Thailand is advocating a 'Look West policy' and India its 'Look East policy,'" Thai vice minister for commerce Parnpree Bahiddha Nukara said that the India-Thai business forum. Referring to the next phase in consideration of items under FTA, he said with 5,600 items to be negotiated, the negotiating team from both countries would try to keep sensitive products to the lowest level position. (*India can be gateway for Thailand, FE.B, 09.10.2004*)

India has rejected a proposal from Mauritius for a free trade agreement (FTA) due to apprehensions that it could turn into a channel for goods from other countries to evade import duty in the Indian market.

Stipulations related to rules of origin would not be good enough to prevent such trade diversion and unintended benefits to goods from other countries, the Indian side feels. The move comes at a time when India is working on trade agreements with Thailand, Singapore, Asean, Gulf countries, South Africa and Latin American countries. Mauritius was keen on a FTA with India and New Delhi's decision has come as a disappointment to the Mauritius side. The FTA was supposed to be part of the comprehensive economic co-operation and partnership agreement (CECPA) between India and Mauritius.

According to government sources, the commerce department argued that a FTA with Mauritius would result in trade diversion, with the island-nation located on the Indian Ocean becoming a centre for re-export of goods from other countries. This view was highlighted during the last meeting of the India-Mauritius joint study group on the proposed CECPA in Port Louis. The Mauritius side was informed that FTA was out of question.

The official reaction of Mauritius is awaited but the Indian side feels there is no scope for a rethink. The proposed CECPA is on track and we may offer a preferential trade agreement (PTA) instead of the FTA sought by Mauritius. Mauritius is a very small market as the country's population is just 1.25 million and the Indian side feels that there are no major benefits for Indian Inc. On the other hand, the benefits to Mauritius are significant as the huge Indian market is going through rapid growth. To assuage the feelings of Mauritius government, the Indian side has offered a PTA and selective tariff concessions through a framework compatible with World Trade Organisation (WTO) norms. Business competitiveness of joint ventures, which will focus on exports to third countries, would be enhanced through such duty sops. (*India turns down Mauritius FTA proposal: Govt Apprehensive That Pact Could Aid Import Duty Evasion, Moots Preferential Trade Agreement, G Ganapathy Subramaniam, C 10, ET, 16.11.2004*)

Asserting that bilateral trade could easily touch \$5 billion-mark in a couple of years, India assured Bangladesh of addressing the issues of nontariff and other barriers to facilitate greater exports from Bangladesh. Addressing an interactive session organized by FICCI on Bangladesh-India trade and investment relations here, commerce minister Kamal Nath said the present level of trade between the two countries of about \$2 billion "is certainly not commensurate with the potential that exists." Mr. Nath, who earlier had an hour-long meeting with Bangladesh commerce ministry Air vice marshal (retd) Altaf Hussain Chowdhury who raised the issue of tariff and non-tariff obstacles in boosting exports to India, said he was sensitive to Dhaka's concerns over a sizeable imbalance in bilateral trade and would like Bangladesh to have greater access to Indian market making full use of concessions under South Asian Free Trading Area (SAFTA) and Bay of Bengal economic cooperation (BIMST-EC) grouping. "You may rest assured that India would be very happy for Bangladesh to take greater advantage of the large Indian market and make full use of concessions that become available either under SAFTA or BIMST-EC." Mr. Nath said.

Referring to Bangladesh's concerns over non-tariff barriers to trade with India, he said India has all along been fully committed to the two fundamental principles of MFN treatment and national treatment and would address any identified such barrier to further boost bilateral trade and commerce. Mr. Nath said the issues of

requirements of mandatory standards and testing of goods from Bangladesh, an issue also brought up by Chowdhury, would be "addressed appropriately on receipt of required response from Bangladesh and India's decisions in these matters would be in mutual interest." (*India assures Bangladesh on trade issues, C10, FE-18.11.04*)

The just concluded third annual summit of India and the 10-member ASEAN group, where both sides entered into a historic partnership pact, reflects the growing importance of India in the geo-politics of the Asia Pacific region, one of the fastest growing economic regions in the world. Taking a major step forward in their strategic ties, India and the ASEAN countries have vowed to, fight international terrorism and pledged to work towards a free trade area by 2011 and to cooperate in diverse areas ranging from information technology to highway construction. The gravity of the world is shifting gradually but decisively towards the Asia Pacific. Given the growing importance of the region, New Delhi has done well to play a proactive role in the region. In the wake of the emergence of a multi-polar global political system, India under its "Look East" policy is increasingly giving importance to boosting its economic and political ties with the countries in the east. Ever since the country embarked upon economic reforms, it has been making efforts to step up economic ties with the ASEAN. India became a sectoral dialogue partner of ASEAN in 1992, a full dialogue partner in 1995 and a member of the ASEAN Regional Forum in 1996. Both sides are looking towards each other for complementarities.

India and ASEAN as regional trade partners offer a huge and attractive interconnected, geographically contiguous market of more than 1.5 billion people. As the South East Asian region has the fastest growing economies in the world, there is a compelling rationale for strengthening the business relationship between India and the group. ASEAN countries on their own are working hard to become competitive vis-à-vis countries like India, China and Japan. While China and Japan have been able to match the ASEAN dynamism, India continues to lag far behind. As far as ASEAN is concerned, India faces its main competition from China in the field of trade and business. Besides, China is attracting more FDI from ASEAN countries. India must make all out efforts to amaze its economy not only dependable but also a profitable destination for investment from this region. Looking at from a geo-political point of view, India should step up its diplomatic activities to take the existing India ASEAN relationship further to a higher level encompassing China, Japan and Korea as well. *India needs to further strengthen its ties with the ASEAN group. (Looking East, DH- 2.12.04, C10)*

After a slow start initially to the flow of foreign direct investment (FDI) in township development, there has been a sudden spurt of foreign construction and housing groups taking up projects in India. Industry pundits say around Rs 4,000 crore is expected to come into the country over the next four-five years. In the lead are Asian giants such as the Salim Group of Indonesia and Keppeland Group of Singapore taking up 100-400 acre township projects in the country. Among the projects that have been granted FIPB clearance is one by a consortium of Indonesian companies led by Salim Group and Ciputra Construction.

The Indonesian consortium has acquired 390 acres of land in west Howrah from the Kolkata Metropolitan Development Authority (KMDA) for close in Rs 100 crore. The land is currently in the process of being transferred to the company, a legal representative of the company, Mr. Shourya Mandal. The mainstay of the Rs 500-crore township project will be the development of residential units, but the Howrah township will also house commercial structures, a hospital schools and other civic infrastructure that make up a composite township. Located on NH 6 and 15 minutes from the CBI of Dalhousie area, the consortium expects the project to be viable and marketable.

The Union government has, for last few years, resisted allowing FDI in the housing sector, but did make a



concession two years ago when it permitted, as part of the budget proposals, FDI in township development where the land area is a minimum of 100 acres

In three initial years, there were a few proposals. Especially from Singapore developers, but permissions and investments in this green field area have been slow. Another big group, Keppeland of Singapore, has got an initial FIPB clearance for a 400 acre Project in east Bangalore, but the application has been returned for clarifications. The company's application is currently awaiting clearance by FIPB. *(Township projects are hot properly, C 10, ET-B, 7.12.04)*

The National Rural Employment Guarantee Bill, 2004 tabled yesterday in the Lok Sabha proposes creation of a National Employment Guarantee Fund by the Centre to finance generation of employment for the rural poor. The state governments would similarly be required to establish a fund called state employment guarantee fund for the implementation of the scheme. The bill estimates that the cost of the scheme would be Rs 38,600 crore if the legislation covers the entire country, of which the Centre's share would be Rs 34,740 crore. The estimate has been worked out assuming the average cost of providing employment to persons covered by the scheme is Rs 100 per day. The bill proposes to provide 100 days of unskilled manual labour to one member of every poor household. The wage component is expected to be Rs 60 per person per day and material cost Rs 40. The bill says, if the legislation is restricted to the 150 districts where the National Food for Work Programme is being implemented, the requirement of Central assistance would be Rs 8,984 crore in a year. The bill further provides that the central government would notify wages to be paid under people opting for employment under the scheme. The wages notified could vary for different areas. It adds that till the Centre notifies the wage to be paid in a specific area, the minimum fixed by state government under Section 3 of the Minimum Wages Act, 1948, for agricultural labourers shall be considered the wage applicable in that area. The unemployment allowance is to be paid to a person if he has not been provided work within 15 days of receipt of application or from the date on which the employment has been sought in case of an advance application. *(Rural employment Bill proposes fund to generate jobs, C10, ET, 23.12.04)*

The issue of rules of origin (ROO) in the preferential trade agreement (PTA) between six countries including India, China, Sri Lanka and Korea has finally been sorted out. This paves the way for further widening of the basket of items identified for tariff cuts and also deepening the cuts. The PTA is part of the UN Economic and Social Commission for Asia and the Pacific's (UNESCAP) Bangkok Agreement, which will soon be, renamed the Asia Pacific Trade Agreement. India and China have already offered each other fresh tariff concessions under the initiative. According to the commerce ministry concessions offered to China Under the Bangkok Agreement will cover around 2.2% of India's imports in value terms. In return, India will be eligible for concessions on 722 items covering 25-30% of the country's total exports. The ROO issue had held up many other agreements. India and Thailand took a long time in thrashing out an agreement on ROO. With Singapore, the issue is still pending. *(Rules of origin issue sorted out for Asia Pacific trade pact, Amiti Sen, FE.D, 19.1.05, C 10)*

The Federation of Indian Chambers of Commerce and Industry (FICCI) and the Italy-based consortium Sistema Italia Exports signed a memorandum of understanding to develop a world-class agro-industrial park with an investment of 900 million euro. To be established over 1,200 acres, the park will have 50 joint venture industries having individual product refrigeration centres, EU certification, quality control, cereal and milk

## TRADE TALK

- First session of ministerial meeting in April/May.
- Tariff cuts to be deepened.
- Item basket to be widened.
- New membership to be considered.

silos, triple security zones for total health and safety control along with a hospital. Once developed the park, 'Sistema Italia FICCI Hyper Food City-India,' is expected to serve as a point of entry of the Italian food processing industries into joint venture with Indian partners. *(FICCI inks MoU with Sistema for agro park, TH.C, 17.2.05, C 10)*

## C 13 Power-Policy

The National Electricity Policy, approved by the Union Cabinet, estimates that an investment of Rs. 900,000 crores will be required to fund generation, transmission, distribution and rural electrification projects up to the year 2012 to meet the objective of rapid economic growth and "power for all." For this, while public sector investments at Central and State levels will have to be stepped up, a major chunk will be required to be brought in from the private sector and for which the return on investment has to be provided at par, if not at better terms of investment opportunities in other sectors, especially when electrification of all villages and households in the next five years is one of the prime targets of the National Common Minimum Programme (NCMP). The policy is also aimed at paving the way for the Central Electricity Authority (CEA) to notify the first National Electricity Plan in six months with a perspective up to the 12th Plan. The tariff guidelines, valid for medium-term and long-term procurement of electricity, permit location, technology and fuel neutral projects *(New policy to ensure quality power at affordable rates, TH.B, 4.2.05, C 13)*

## C20 Transport

It is well known that the government machinery moves at snail's pace and delays in execution of projects are the rule rather than exception. It is also known that crores of rupees are wasted due to such delays. Even the worst doubting Thomases, however, would not have guessed that cost escalation could burden the government with additional costs to the tune of Rs 47,453 crore. Now that is good enough to finance some power projects, a couple of international airports or major water-supply projects for our water-starved cities. A detailed estimate by Team Manmohan tracked nearly 600 government projects and found that nearly 284 of them were behind schedule while 149 do not even have a date for commissioning. The net result is the expected increase in costs for these projects from Rs.2, 20,362 crore as per original estimates to Rs.2, 67,815 crore on account of cost overruns, leading to avoidable expenditure of Rs.47, 453 crore.

While a large number of segments are affected, the worst sufferers are key infrastructure sectors like railways, highways and power. Lack of funds has hit 36 of the monitored projects while land acquisition-related hitches led to delays in 27 cases. Delay in award of contracts and supply of equipment were among the other reasons cited for the cost overruns.

The ministry of statistics and programme implementation has come out with a detailed report on the delays so that the Prime Minister's Office and other government departments can take remedial action. In some cases, law & order problems and lack of infrastructure support have been cited as the culprits. Ironically, the huge additional expenditure due to delays is despite a 61% reduction in cost overrun since 1991.

Apart from normal factors like rise in prices, exchange rate fluctuation and higher cost of land, part of the delay could also be due to errors in original cost estimate and monopolistic pricing by equipment suppliers. Most of the projects are being executed by public sector undertakings. *(Project delays to burn Rs 47,453 cr, C 20, ET, 17.11.04)*

## C21 Road Transport

One of the foremost priorities of the Government is to develop infrastructure, both physical and social. A Cabinet Committee to monitor infrastructure development has reportedly been set up under the



chairmanship of the Prime Minister, Dr Manmohan Singh, himself. And the Planning Commission has been assigned the task of ensuring movement in the different core sectors.

The provision of major roads and highways has always been in the public domain. To begin with, all functions relating to road services, such as financing, design, construction, engineering supervision, operation and maintenance, were performed by the public sector. For this purpose States set up large public works departments equipped with manpower and machinery. While Government funded all activities, the department was the designer, the contractor and the engineer all rolled into one. Recently, however, some of these functions have been outsourced but the responsibility continues to be with the department. When in October 1998, the then Prime Minister announced the taking up of the North-South corridors, subsequently converted into the NHDP with the addition of the Golden Quadrilateral, the National Highways Authority of India (NHAI) the agency entrusted with the implementation was just a nascent organization. To expect such an organisation, with limited manpower to undertake the unprecedented task of construction of more than 14,000 km of four-laned national highways with an investment of Rs 65,000 crore was simply impossible. *(Public-private partnership, Highway projects show the way to infrastructure development Deepak Dasgupta, 10.10.04, BL, C21)*

The Prime Minister's committee on infrastructure gave in principle approval for an investment of Rs 1,70,000 crore for national highway development projects over the next seven years. The ongoing phase I (golden quadrilateral) and phase II (North-East- East- West) of the NH projects would not only be completed, but "substantial additional work" would be taken up. According to official sources, the committee has decided to conduct a detailed exercise for resource mobilisation for the mega project. It has decided to explore various fund raising options including the possibility of leveraging of the existing cess for roads (Es 1.5/litre on petrol and diesel) for raising substantial immediate resources. "The idea is to raise advance funds against the cess as a sustainable stream of income for the next 20 years," an official source said. Other options include BoT projects under public-private partnerships, budgetary allocations and external aids. The committee, according to the source, put before the Prime Minister a "perspective" for giving a "massive push" to the NH development programmes. *(PM's panel okays Rs 1,70,000 cr for highway projects: The committee has decided to conduct a detailed exercise for resource mobilization for the mega project, FE.B, 14.1.05, C 21)*

## C23 Railways

If the proposed Bangalore Metro Rail is mostly underground, it could reduce damage to the environment and inconvenience to citizens during its construction. This is the view of a group of Japanese experts connected with infrastructure building who recently held meetings with the Chief Secretary, K.K. Misra, and officials of Bangalore Mass Rapid Transit Ltd. The Metro Rail plan with North-South and East-West corridors covering close to 37 km has underground stretches of 6.8 km with the rest either elevated or on road surface level. The underground portion is mostly below Mahatma Gandhi Road and Cubbon Park. "Bangalore lives up to its reputation as an information technology hub but the infrastructure is inadequate. Good roads and transportation are necessary to attract more overseas investors," they commented. The situation here was similar to what other Asian cities such as Jakarta, Kuala Lumpur and Singapore faced 30 years ago. Bangalore is now at a "turning point" as those cities were then. Bangalore Metro could get financial assistance from the Japan Bank for International Cooperation; BMRTL is known to have approached bank earlier. The original estimate for the project was nearly Rs. 4,000 crores. *(Japanese ready to offer help for Metro Rail, DH, 10.10.04)*

The Ministry of railways will soon submit an action plan of its modernisation programmes to the Planning Commission and the PMO. Ministry, that the nearly Rs 24,000-cr plan had been prepared at the directive of the PMO. It proposes a dedicated track connecting four metros for the movement of freight trains. This will run parallel to the GO project of NHAI and will intensify competition between the roadways and railways. At

present, the route connecting the four metros sees over 65% of total passenger and freight tariff. The plan also seeks to have modernization of various safety tools including monitoring, control communication, design and electrification etc. It's learnt that the plan has encompassed areas like introduction of the high-speed bullet train on the Japanese model. The Railway action plan also talks about an up gradation of the speed of the freight trains from the existing 75km per hour to 100 km per hour the government will not dear

The government will work out resource mobilization modalities only after the modernisation plan is approved. It is believed that besides the Central government's grant, resources may also be generated from external agencies like the World Bank, ADB etc. Private sector involvement can't be ruled out either. *(Railways on the fast track, moot. Rs 24,000-crore up gradation plan, Shantanu Nandan Sharma, C 23, ET, 21.11.04)*

The ambitious Metro Rail project in Bangalore may finally take off, with the long-pending clearance from the Centre and State governments expected next month. But the project will definitely prove a burden for the exchequer; the estimated cost of Metro Rail project in Bangalore has shot up to Rs 5,606 crore against the earlier estimation of Rs 4,989 crore. Interestingly, the State government, while seeking the Planning Commission's assistance on the metro rail project in Bangalore on November 18, did not submit revised estimates. The plan is to take up 23.63 kms of elevated track and 6.7 km of underground track under the first phase of the project. But so far, neither the State nor the Centre has confirmed about their equity participation in the project. "The State Government is expected to clear the project in a month's time, while the Centre has almost cleared it. The land acquisition process will be initiated soon after getting clearance from the State Government," Bangalore Mass Rapid Transit Limited (BMRTL) Managing Director K N Shrivatsava told. On cost escalation, he said: "We cannot afford to further delay this project. Rs 50 lakh increase every day is really a huge sum and both governments should hasten the process to approve the project at the earliest." Mr. Shrivatsava said that there are no hurdles before BMRTL for mobilizing funds as over 46 financial institutions have come forward to extend loan amounting to Rs 3,500 crore. *(Metro Rail project to chug off soon: The project is proposed to be completed in five years, and it would cater to over 8.2 lakh commuters every day, P M Raghunandan, DH.B, 21.11.04)*

## C23 a Palace on Wheels

The entire nation gaped with incredulity as a fresh-faced Rajesh Khanna clung on to a small train, barely one-tenth of the monster that rambles on the country's broad gauge, and sang, "Meri sapno ki rani kab ayegi tu" in the 1969-hit, Aradhana. The song became an instant hit and so did the train. Suddenly everyone wanted a ride on Darjeeling's toy train. But that was then. Today the little train is in big trouble. One of the most popular attractions on the Darjeeling tourism circuit, the train on Saturday stopped its 14-km joy ride from Darjeeling city to Ghooma fog-lapped town that has the distinction of having the highest railway station in Asia. Worried officials manning the Darjeeling Himalayan Railway, which formally got World Heritage Status in November 2000, said the service was discontinued because of a severe lack of coal for the steam engines that power the train. "There is no stock of coal since September," said L N Pradhan, section engineer of Darjeeling Loco. "The last joy ride was on Friday with 29 passengers." The train used to ply between the two towns twice a day, once at 10 am and again at noon. The Toy Train is quickly running out of romance. With annual losses of about Rs 7 crore the Railways are finding it difficult to sustain the services in Darjeeling. At present the area has two diesel engines and 12 steam engines out of which only eight are in running condition. *(Darjeeling's toy train runs out of steam, Anjana Pradhan TOI-M, 11.10.04, C 23a)*

## C24 Civil Aviation

In a move aimed at showing India's keenness to attract greater foreign direct investment, the Union Cabinet, hiked the FDI cap in domestic airlines to 49 per cent from the existing 40 per cent. However, foreign airlines



would not be a direct beneficiary of the decision since they would not be allowed to pick up a stake directly or indirectly.

The Finance Minister, Mr. P. Chidambaram, had proposed a hike in the FDI caps in the aviation, telecom and the insurance sector in his Union Budget speech for 2004-05. It now appears that after prolonged negotiations, the Left has somewhat softened its stance on the FDI cap in airlines while remaining firm in opposing hikes in telecom from 49 per cent to 74 per cent and in insurance from 26 per cent to 49 per cent. (Aviation FDI cap hiked to 49 pc Foreign airlines stay barred from holding stake, BL, 21.10.04)

The French turbo-prop plane maker ATR is cruising into India with plans set up a manufacturing facility for a range of small (50-70 seater) aircraft. The firm's CEO Filippo Bagnato is in India to initiate discussions with local firms including the state-owned Hindustan Aeronautics Ltd (HAL) for jointly establishing this venture, the first by any aircraft maker. Bagnato, who took charge of ATR in June this year, said: "ATR is looking at some industrial activity in India. I am convinced that India can develop into a competitive aircraft manufacturing base and we want to be among the first to take advantage of this." Bagnato will also meet ATR's existing customers Alliance Air, Jet Airways and Air Deccan. The high level of technical skill and the low manufacturing costs have played a key role in ATR's decision to use the country as an industrial and manufacturing hub. (ATR to cruise into India, Byas Anand, TOI-M, 20.10.2004, C 24)

The high-power Naresh Chandra Committee, which has been given the mandate to chalk out a road map for the domestic civil aviation sector, is expected to submit its second report to the Minister for Civil Aviation, Mr. Praful Patel. The second part of the report is likely to focus on implementation issues, especially those relating to coordination with other Government agencies such as the Ministries of Finance, Defence and Home Affairs, among others. The committee, in its first report, had suggested a host of changes in the civil aviation sector, including allowing private sector domestic airlines to fly into the international skies and hiking the foreign direct investment level in the aviation sector. (Civil aviation panel likely to submit report this week, BL, 26.10.04)

The launch of what could have been the country's second low-cost airline - Kingfisher Airlines - has been delayed. "We have made a slight change in the business plan. Originally, we planned to lease four Airbus A-320 aircraft from GE Capital Aviation Services (GECAS) to start operations from January 15 next year. But now we will get all new aircraft and start in April next year. I felt that the trade-off of three months was well worth it," Mr. Mallya said. The airline now plans to get four aircraft on lease from Debis Finance. The first aircraft should arrive in April next year after which a leased aircraft will arrive every month till July. All aircraft in the Kingfisher fleet will seat 180 passengers in a one-class configuration. The fares will be lower than economy-class travel on full service airlines but slightly more than the low-cost competition. (Kingfisher Airlines' launch put off to April 2005, Ashwini Phadnis, BL, 21.10.04)

Infrastructure like public good and the Indian Air Force (IAF) is "willing to accede to the growing requirements of in phases," Air Chief Marshal S Krishnaswamy, chief of Air Staff, said. He was categorical that the IAF was open to sharing the assets since it owns many more airfields in the country than the civil authority. "We need to share assets because these belong to the public. It is a matter of working together," he told reporters. He was responding to questions on the recent statements by government of Maharashtra officials and the union civil aviation minister that Pune should be allowed to operate as a 24-hour airport. (IAF was open to sharing the assets civil aviation, Airports are a national resource, says Air Chief Marshal, C24, ET, 12.12.04)

The Civil Aviation Ministry has issued new guidelines for scheduled carriers to launch global operations, making it mandatory for them to have at least 20 aircraft, five years of domestic operations and security

clearance from the Union Home Ministry. Under the guidelines issued by the Directorate General of Civil Aviation (DGCA), the air lines eligible to fly abroad would also have to get approval of the Aircraft Acquisition Committee and must have a Valid Air Operators permit. The government could ban any carrier from flying on a particular route for two years if it failed to fully use the rights granted for that route, an official statement said here on Tuesday. The entitlements could be reviewed in case an airline reduced its domestic operations. The four airlines have already submitted their operational plans for the ensuing summer season and the winter schedule like Andhra Pradesh and Karnataka, Maharashtra has also waived the stamp duty payable by the Airports Authority of India for using additional land for modernization of the Mumbai airport. Maharashtra had requested the Union Government to approve the proposal for new airports in Navi Mumbai and Chakan near Pune. (Airport modernisation: Maharashtra waives stamp duty, TH.C, 17.2.05, C 24)

## FLYING RULES

- Private airlines should have at least 20 aircraft and 5 years of domestic operations.
- They can fly to all international destinations barring Gulf and Saudi Arabia.
- Allocation of traffic rights to airlines will depend on the availability of such rights to particular countries.
- Allotment of entitlements will be made based on the average seat per kilometers deployed by the airlines on domestic routes.
- Airline's failure to utilise traffic rights can lead to a ban of two years on that route.
- Government has the discretion to permit or deny allocation of traffic rights on the basis of the performance of the air operators. (New Norms for Pvt. Airlines: Aviation/Guidelines provide template for airlines to launch global operations, DH.B, 26.1.05, C 24)

## D- TOURISM PROMOTION AND TYPES OF TOURISM

### D00: Tourism Volumes and Patterns

India appears to be on an upswing in terms of tourist traffic flow even before the winter has set in. The inflow of foreign tourists over the last few months has increased tremendously by over 20 per cent compared to last year and the foreign exchange earnings of the tourism sector has increased by an impressive 35 per cent. Statistics reveal that over 23.38 lakh foreign tourists visited India in the first nine months of 2004 as against 18.55 lakhs during the corresponding periods in 2003 and 16.28 lakh in 2002. The increase this year compared to last year is 25.5 per cent and 13.9 per cent compared to 2002 and 2003. In September this year, 2.34 lakh foreign tourists visited the country compared to 1.91 in the same month last year. In August, it was 2.59 lakh as against 2.04 lakh last year. The highest tourist traffic received this year was in February when 3.41 lakh people arrived in the country, a jump of 30 per cent at 2.62 lakh during the same month in 2003. As for foreign exchange earnings, the country earned Rs 15,815 crore from January to September in 2004 compared to Rs 11,682 crore in 2003 and Rs 10,144 crore in 2002. It was a jump of 35.4 per cent in comparison to the last couple of years.

In 2003 alone, India attracted a total of 27.5 lakh foreign tourists with those from the UK, USA, Canada, Sri Lanka forming the chunk of visitors. Tourists from UK topped the list with 4.27 lakh people visiting the country last year (15.9 per cent of total visitors) while four lakh tourists came from US (14.9). The foreign exchange earned by the country from the tourism sector in 2003 was slightly above Rs 16,000 crore. (Foreigners flock to India - The massive increase in foreign tourists this year has resulted in a quantum leap in forex earnings, DH.B, 12.10.04)



India expects almost five lakh tourists in the next 12 months of which 40% would be direct “wellness seekers”. The country is increasingly gaining popularity as a medical tourism destination across the world especially in the UK, US, West Asia and South East Asia. According to Vishal Bali, chairman (healthcare services), CII, the waiting time is the major factor that attracts UK patients to India while it's the spiraling cost in the US. “Patients wait days together to get healthcare services in UK. Although delivery is fast in the US, costs are increasingly becoming unaffordable. These two large geographies are always looking for alternative medical destinations.”

The concept of wellness care is moving smoothly with the business travel segment as well, says Mahindra Jain, tourism commissioner of Karnataka. “The concept of wellness is fast catching up and a lot of foreigners are travelling to India seeking spiritual, mental and physical wellness through yoga, ayurveda and naturopathy,” says Jain. In short, many look at India as a recuperation destination. These high spending visitors stay in the country for a few weeks or a month or even more at one go. India currently has over 100 organized healthcare providers in various medical disciplines. However, a collective effort to position the country as a destination is yet to happen, says Bali. Kerala probably could be the only ideal case in making medical tourism a viable reality in the country. “The idea is to create a national story,” he adds. Even small countries are doing it. For instance, Bum Run Grad, a hospital in Thailand gets close to three lakh patients from over 100 countries. India is already a recognized player in IT, healthcare and tourism. “The need is to find synergy between these segments. It's about creating complementary stories to create a healthcare brand for India.” (India beckons 'wellness' tourists, Times of India, Bangalore, 23.11.04)

Hong Kong, which was practically at the centre of the SARS outbreak last year, has swiftly bounced back on the international travel map. Indian visitors continue to be in the mainstream of this revival, making visible contribution to every international tourist dollar earned by Hong Kong. In fact, according to industry estimates, the Indian arrivals in the first 10 months have breached the numbers clocked in the whole of last year (Jan-Dec). Hong Kong recorded 1,78,130 Indian visitors in 2003, a modest single-digit shortfall of 8% over 2002 figures. This year, around 2,00,000 Indians are likely to visit Hong Kong, with the forthcoming winter fest expected to accelerate this movement in December. Apart from targeting conventional tourism segments, the Hong Kong Tourism Board (HKTb) is trying to tap India's huge cinema shooting and production market with renewed vigor. The Hong Kong Government has created an exclusive department Television & Entertainment Licensing Authority (TELA), to grab possible international opportunities such as India by facilitating filming services and acting as a one-stop shop for the production houses. (Indian tourists put HK back on the map: Some 200,000 Indians Are Likely To Hit SAR This Year, Girish Rao, 26.11.04)

Numbers for Jan-Nov Up 24% To 2.98 Million, Forex Income rises 37%.

SCORCHING NUMBERS		
Tourists Inflows		
Jan - Nov 04	Jan Nov 03	(%)
(Million tourists)		
2.98 m	2.41 m	24
Nov 04	Nov 0 3	(%)
0.36 m	0.28	29

Forex (\$ m)		
Jan Nov 04	Jan Nov 0 3	(%)
4311.92	3150.43	37
Nov 04	Nov 0 3	(%)
459.26	348.20	32
Source: Department of Tourism		

Tourist inflows for the 11-month period January November 2004 are up by 24% to 2.98 million visitors while Forex income is up by 37% to \$ 4,311.92 million. According to industry sources, for the first time, India is set to cross the three million mark for the calendar year January December 2004. Travel trade officials expect to close the year with 3.25 million to 3.30 million international visitors. The growth in foreign visitors for the month of November 04 is up by 29% to 0.36 million tourists against 0.28 million tourists in November 03. India is, thus, only 0.17 million visitors short of touching the three- million mark. The past trend has been that during the month of December each year, foreign tourist inflows are the highest owing to the Christmas and New Year holidays. With an average growth of over 30% each month, and a conservative estimate of 0.30 million visitors during the month of December 04, the year January December 04 will close with over 3.25 million visitors. “For the month of November '04, India has had 0.36 million visitors. During December, we expect to have at least 0.40 million visitors. I will not be surprised if we close the year with 3.25 million to 3.40 million foreign tourists. The travel industry is facing robust growth of this kind after 1996,” said Sunil Gupta, head of leisure, Thomas Cook, India.

According to Manav Thadani, MD, HVS International (hospitality consulting firm), “India will touch a new peak in tourist arrivals this year and we expect the next two- three years to be even stronger. Certain markets are already seeing huge unaccommodated demand during weekdays, with average room rates (ARRs) in some markets witnessing unprecedented increases. The leisure destinations such as Goa and Jaipur and all the metro cities have performed exceptionally well”. “After business and leisure, medical tourism could be the next big thing in India. Further liberalization in the aviation sector along with the proposed world class convention centers in Mumbai, New Delhi and Goa, will mean a lot more international tourists,” said Mr. Thadani. (Tourist inflows to cross 3-m mark, By Meena Nichani, D00, ET, 6.12.04)

Sandhya Kunjur, GM, marketing, leisure hotels, Indian Hotels Company Ltd, hopes that they pick up the brand first and the destination later with the re-launch of the Taj Holiday with a big campaign. The Taj Holiday brand was always there but we were reorienting ourselves, there were renovations happening and now we are ready with all the new inputs for the holiday experience. Added this year to the holiday list will be a new destination Gwalior. The 120-year-old Usha Kiran Palace. The Taj Bhutan is opening in September 2005. (Taj group to leverage on holiday behaviour studies, FE.D, 16.3.05)

D 20b: Recreation and Theme Parks

The Additional Superintendent of Police, Bangalore Rural district, L.G. Krishnappa, said all the 11 people who were injured at Sammy's Dreamland, an amusement park on National Highway 7, off Yelahanka, were out of danger. Eleven people from three families were injured when they fell from a height of 30 feet after a part of a Ferris wheel-like contraption they were riding collapsed at the amusement park on Sunday evening.

Mr. Krishnappa told that three of the 11 had fractured their vertebra and were being operated upon at a private hospital in the city. “We are finding out who has to be held responsible for the negligence, whether the man who was operating the equipment, the supervisor or the proprietors.” The Devanahalli Circle



Inspector and his team visited the amusement park for investigation; Police sources said it was business as usual at Sammy's Dreamland on Monday though the wheel-like contraption that had collapsed did not function. (Eleven injured at amusement park out of danger, TH.B, 23.11.04)

## D20 d: Heritage Tourism

### Living Heritage

Giles Tillotson is a specialist of Indian architecture. Author of many books on Rajput, Mughal and British colonial buildings and cities, he taught Indian architecture for 14 years at the School of Oriental and African Studies, London. Tillotson spoke to Maneesh Pandey on various aspects related to traditional architecture, its conservation, and concept of 'heritage cities' and how past can live with present in perfect unison:

#### What is your view about the relationship between the state and conservation in the Indian context?

Obviously the state, through the Archaeological Survey of India (ASI), has always been, and will remain the major player in conservation, because it is the prime custodian of nation's monuments. On the whole, the record has been good (despite funds crunch), but there is a problem with the ASI's expertise. It is too narrowly focused on archaeology, when it ought to include inputs from architects and designers. This is a historical problem: the same problem existed in the ASI even under Mortimer Wheeler and John Marshall. There is a strong conservation movement building up in India, but it's not that uniform. It is also true that there are many splendid sites like Gaur and Champaner that are too little known or appreciated. The other problem with the ASI is its poor record of relations with private owners of monuments, and especially with the former princely states. Again, this is a historic matter going back to the time of the integration of the states after 1947. Half a century on, it is surely time to move forward, but there is a great legacy of mistrust to be overcome.

#### Our capital city is unique for it is a modern city bursting at the seams while being a repository of heritage structures and monuments. What do you think of Delhi and its heritage?

The great forgotten story of Delhi is how the expansion of southern colonies in the 1960s and 1970s overwhelmed countless Lodi and other Sultanate period monuments. I mean the great belt of development from R K Puram to Friends Colony. Earlier, Lutyens had tried to integrate Lal Qila, Jami Masjid, Purana Qila, and Safdarjang's Tomb etc into his master plan for Delhi. But no such attempt was made with the colonies south of the Ring Road. Where the monuments do survive, they are not integrated into a new urban landscape but left isolated in scruffy parks.

How successful has been the concept of "living heritage" in the Indian context? Rajasthan is a classic example where the past lives with the present in palaces turned-resorts, 'kothis', and 'havelis' of erstwhile rulers.

#### Do you agree with this trend or prescribe traditional (touch-me-not) conservation measures?

I fully endorse the concept of living heritage. For a building to have life it must have a use. Admittedly, new uses are not always sensitive. For example, palaces built in the 19th or 20th century is more easily turned into hotels than older ones, without major structural change. So the challenge is to find uses that preserve the structure while infusing a new life and purpose. I'm dubious about so-called 'lifestyle museums' which try to represent a life but actually kill it in the process. The new use doesn't always have to be similar to the old one. With changing lifestyles, old houses often function better as something else. In Nawalgarh (Rajasthan), for example, one old haveli has been successfully converted into a school.

#### Can the concept of heritage cities be applied to historic cities in India like Delhi and Varanasi as in the West?

I don't think you can simply transfer solutions from Europe. Any approach to urban conservation and renewal in India has to take into account local living conditions, which are very different. The concept of the heritage

city can be useful to check unplanned development that spoils the historic character of walled cities like Delhi and Ahmedabad, or pilgrimage cities like Varanasi and Haridwar. But there is a danger of it becoming a gimmick. In Jaipur, for example, a new hotel only has to stick a chhatra on its roof to style itself a 'heritage resort'. These cities have grown over many centuries and we should welcome good examples of modern design in them too.

#### Can heritage and tourism coexist?

As everyone in this field is aware, the blend is far from perfect. Tourism brings attention and cash, but it also brings stress and encourages misuse. Despite this, tourism is and will remain heritage's best bet, and we have to recognize and work with this unavoidable fact.

#### What, according to you, is the way ahead to balance modern urban demands with traditional architecture?

What India's conservation movement lacks most is expertise in architectural history. This subject is still not properly taught in architecture schools and universities here. There is an urgent need to establish a central school of advanced architectural studies, which could work in collaboration with teaching schools like the School of Planning and Architecture, and with heritage bodies like INTACH. We also need to develop a closer spirit of cooperation between professional bodies like the ASI and voluntary and charitable organizations, which contain a lot of expertise. And, above all, we need to create renewed respect for the role of craftsmen, both in practice and in education. (Living Heritage, Tol.B, 4.10.04, D 20d)

Watching the moonlit Taj will be expensive. While each foreigner may have to pay Rs 1,250, an Indian adult would have to shell out Rs 720. Even a child between three and 15 years of age would have to pay Rs 700. The entry fee of the Taj has two components the ASI entry fee and a pathkar charged by the Agra Development Authority (ADA). In the first three months, the ADA did not charge any thing as the ASI had imposed an additional fee of Rs 500 on its charge to meet the additional security cover, cost of equipment and extra CISF battalion. So a foreigner had to pay Rs 750, an Indian Rs 510 and a child between three and 15, Rs 500. In return, tourists should not expect much. (Taj night viewing to be costlier, Saurabh Sinha, HT. D, 15.2.2005)

Will the Golden Temple in Amritsar ever get a World Heritage status? This question eludes an answer because there is a wide difference of opinion within various Sikh groups on this distinction to be bestowed by the UNESCO, which has with it, the complete dossier on this Sikh shrine sent to it by none else than the Shiromani Gurdwara Prabandhak Committee (SGPC). (Golden Temple in a heritage wrangle, The Pioneer. D. 3.3.05, D 20d)

## D20 f: Health Tourism

The Government is planning to constitute a joint task force consisting of experts from both health and tourism to examine issues concerning medical tourism. The task force will look into issues relating to accreditation of hospitals and a price band for various kinds of treatment to be offered as part of promotion of medical tourism. Ms Chowdhury also desired that the committee should look into the recognition of spas and ayurveda centres in India. The country. The committee will also look into other issues such as insurance and living facilities while according accreditation. Dr Ramadoss also told Ms Chowdhury that a decision had been taken to standardize and accredit all hospitals in the country, which may take two years. The task force will submit its recommendations to a key committee to be headed by the Health and Family Welfare Minister and the Minister of State for Tourism. (Task force set up to study medical tourism issues, BL.B, 7.11.04, D 20f)



India's march towards billion-dollar annual revenues from health tourism will gain momentum after an official protocol is laid out on standards for hospitals and healthcare institutions in the country next year. Healthcare, which has the potential to create 40 million new jobs, will see spends double in the next 10 years, with private institutions garnering a large share of this action, according to Vishal Bali, vice president, Wockhardt Hospitals. While the opportunities in this service sector are as exciting as the IT industry, there are challenges that must be met quickly before India is positioned as a global healthcare hub. India's big leap in this space is possible only once healthcare institutions promise universally high standards, they said. Besides, there is also need for expanding medical infrastructure and training healthcare personnel. Mr. Bali said the bulk of the 1,30,000 international patients who visited India last year came from South Asia, Africa and the Gulf. India has yet to see significant numbers from the developed world.

The graying of the American population and rising costs of healthcare also opened doors for Indian institutions. US were also faced with a massive shortage of nursing staff. By 2015, US are expected to experience a shortage of half a million nurses going by the current trend. In 2002, a study found that one-third of the 1,04,000 nurses who entered the work force were immigrants. This obviously presents India with a significant opportunity. *(Healthcare sector targets \$1 bn a year from health tourism: Industry Quality & Safety Standards Protocol On The Cards, TH, 26.11.04, D20f)*

The Indian health care industry, according to a McKinney report, is expected to touch \$5 billion by 2012 and Bangalore for that matter is aiming to grab a sizeable chunk of that pie. A two-day CII quality summit on health tourism beginning Thursday in Bangalore will discuss means to leverage India's potential in medical tourism with special focus on Karnataka. The summit will be held in association with the Karnataka Tourism Department. "The concept of medical tourism is to tap the potential of cost-effective medical treatment available in India which is on par with the best in the world, besides showcasing tourism destinations. Karnataka is an ideal health tourism destination with the best health care facilities and tourist destinations," tourism commissioner Mahendra Jain told reporters in Bangalore. *(State aims for health tourism center stage, TOI-B, 23-11-04)*

## D20 I: Ecotourism/ Wildlife Tourism

Environmental conservation cannot be the sole driver of eco-tourism, according to Megan Epler Wood, Principal Consultant, Epler Wood International. Instead, eco-tourism initiatives must be driven by the 'triple bottom line' concept that focuses on conservation, and also on economic and social outcomes. While conservation must remain an important facet of any eco-tourism business, the project must also do well economically if it is to succeed. Similarly, the social and cultural impacts of an eco-tourism project on local communities must also be considered. Most successful eco-tourism initiatives are those that involve a partnership between the local community and an entrepreneur from outside. While the entrepreneur brings financial and marketing expertise, the local community provides skills required to get the project off the ground. For many years, people believed that non-governmental organisations (NGOs) could play the entrepreneur's role in an eco-tourism project. But in practice, NGOs cannot replace the entrepreneur, as they are not driven by profit. So if the local community and the entrepreneur can agree on a set of conditions, an eco-tourism project can become a win-win for both. *(Success formula for eco-tourism, Sankar Radhakrishnan, BL B, 27.02.05)*

Despite having substantial opportunities for developing eco-tourism, India is losing out because of the lacunae in the policy and planning framework at the national level, Dr V. Venu, Deputy Director General,

Union Ministry of Tourism, said. Speaking on 'Eco-tourism policy and planning: A national approach' at a seminar on eco-tourism organised as part of the ongoing 'Prithvi 2005' eco meet. Dr Venu pointed out that the problems created by the absence of a national policy on eco-tourism are amplified by the fact that most States also do not have eco-tourism policies. Therefore, there is an urgent need to create a policy framework for eco-tourism. Creating such a policy at the national level will require a vision and long-term perspective at all levels, he said. Similarly, an eco-tourism policy will have to empower local communities and stakeholders, while defining the Government's role in eco-tourism. Also required will be a policy that adopts a mix of voluntary and legislated regulation of eco-tourism activities.

Eco-tourism planning, actions and policies should be developed with the knowledge that they could be applicable to other forms of tourism. Stakeholder participation and training of industry participants must also be included in eco-tourism planning. Another important point to be considered in the context of developing eco-tourism in India is the need to ensure cooperation and consultation between the tourism and forest departments in all States, and also at the Centre. In the absence of partnerships between the forest and tourism departments, eco-tourism and nature-based tourism have been restrictive and largely government-controlled, with no understanding of the requirements of the modern tourist and with no linkages with tourism service providers.

Similarly, there is currently no orientation or knowledge regarding the importance of tourism in conservation and also in generating revenue for conservation, Dr Venu pointed out. Eco-tourism is, in fact, a powerful method of generating resources for conservation and also for local stakeholders. Thus, there is an urgent need to evolve a plan of action that ensures sustainable development, harnesses the potential of tourism for economic development of local communities, involves all stakeholders and brings in revenues that can be re-channelled into conservation. *(National policy on eco-tourism needed: Expert, 13.3.2005, D 20i)*

## E TOURISM, SOCIETY AND IMPACTS

### E 01: Environmental Impact of Tourism (General)

The proposed Rs 600 crore international eco tourism project planned to come up over an 880 acre area of land and water in the world famous Sunderbans Island has run aground with some leading environmentalists and a section of the locals petitioning the Centre against granting its nod for the same, fearing a colossal damage to the pristine environment. The project mooted by Subrata Roy, CEO of Sahara India, has held out promises of up grading the infrastructure and standard of living besides employment to several people living in the villages of this water-locked delta that has already been declared a world heritage site by the World Heritage Society. Even though the West Bengal Government has concluded an MoU with Sahara nearly a couple of years back for developing the project that is to come up around four islands namely Sagar, Fraserganj, Kaikhali and Sreedharnagar (L Plot), leading environmentalists backed by some NGOs have already petitioned the Union Environment Ministry, pleading that a heritage site identified by the United Nations must not be allowed to promote tourism in a commercial fashion.

**Strong Protest:** If implemented as proposed in the MoU, the project would severely jeopardize the fragile equilibrium of the biodiversity of the mangrove forest and wild habitat, the environmentalists say and have lodged a strong protest with the state government. While unconfirmed sources here say that the Sunderbans project of Sahara Group has neither received a unanimous acceptance in the CPI (M) aparitchik nor triggered a wave of protest, going by the international prestige of the place and its rare flora and fauna, the state



government has been compelled to be on the defensive “We simply don’t want to be looked upon as an international criminal by giving a blanket clearance to the project,” the state Forest Minister Dinesh C Dakua was quoted as saying earlier. The petitioners have also pointed out that the flurry of speed boats that the project is likely to deploy for touring interiors of the forested delta, home to the world famous royal Bengal tiger and a rare variety of birds, might endanger the prevailing solitude of the place, forcing them to cross over to the Bangladesh side of the delta where poaching is rampant.

**III-conceived:** It is futile and perfectly ill conceived to pre-suppose that the project is to come up at the heritage site declared by the society, argues a senior spokesman of Sahara. According to him, it would not only embellish the existing environment in the island, adequate care would be taken to pre serve and ensure future expansion of the forest to prevent occasional incursion of the wildlife into the fringe villages. “We will not hesitate to invest to make it a really world class eco friendly project; it will also provide round-the- year employment to this pathetically backward region,” the spokesman said. Environmentalists say that it would severely jeopardize the fragile equilibrium of the biodiversity of the mangrove forest and wild habitat of the island. (*Sahara’s Sunderbans project flayed, by Prasanta Paul, E01, DH, 26.12.04*)

About 1,200 “jobless” domesticated elephants of Assam may finally get something to do to earn their bread. The Forest Department has decided to engage these elephants for promoting nature tourism in national parks in the State. Using the elephants for promoting tourism would help their owners to generate the income required for maintaining them. On the campaigns against elephant festivals by animal activists like Maneka Gandhi, the Forest Minister said they were “misrepresenting the facts and spreading misinformation about the elephant festivals and lacking understanding of the ground situation, the rich heritage of the close relationship between man and elephant in Assam.” (*Elephants to promote nature tourism, Sushanta Talukdar, TH.C, 20.2.05, E 01*)

### E 01a: Environmental Laws and Policy

The critical refrain against the draft National Environment Policy, announced on August 15, heard from non-governmental organisations (NGOs), academia and others was echoed at a consultation organised here by Media for Sustainable Development, Centre for Environment Education and the National Law School of India University.

**Rejected:** The participants noted that NGOs across the country had already “rejected the NEP in its present form” and demanded that the Government of India initiate a fresh process of drafting and finalising a National Environment Policy with widespread involvement of civil society organisations from the very beginning.

**Formality:** Citing earlier “consultations” organised by the MoEF that seemed more obligated to the World Bank, he said he was regularly invited to meetings, which were nothing more than a formality, as the MoEF was more interesting in meeting World Bank conditions to procure financial aid. “Even this consultation is a mockery of the system,” he said. Besides, the 30-page draft was badly done and was merely the latest instance of how the MoEF had become a “clearance granting agency,” abrogating its role in conservation and protection of natural resources. (NGOs, academics oppose draft environment policy, Alladi Jayasri, TH.B, 28.11.04)

If the ratification of the Kyoto protocol by Russia is seen as a landmark event that ushered in a new international framework for the reduction of greenhouse gas emission, the recently released eight-nation Arctic Climate Impact Assessment report published by the University of Cambridge reinforces its vital

importance. The watershed study makes disquieting projections about the likely consequences of unchecked global warming. As ice caps melt and changes occur to the seas indigenous people of the far North could be deprived of their food security, species such as the polar bear be driven to extinction and the global climate be affected by the rise in sea levels. More immediate evidence of the effects of unbridled economic activity on the environment is available in the aftermath of the storms that have led to severe loss of life in the Philippines. Mindless logging by commercial interests caused deadly mudslides, leading to a belated ban on all logging in the archipelago. These seemingly unconnected events provide a new context for the debate on the far-reaching changes that at' being proposed for environmental regulation in India. There is well-founded concern among Indian conservationists that environmental laws are being portrayed as the major stumbling block to development. Delays in granting environmental clearances, in some cases solely on account of red tape, are cited as justification for downgrading the major instruments of due diligence in the clearance process. The Ministry of Environment and Forests (MoEF), through its notification in 1994, stipulated that an Environmental impact Assessment (EIA) and public hearings should be undertaken for specified types of projects, covering 32 categories at present. This requirement was controversially modified in 2002 to exempt some projects, such as installation of pipelines from the EIA process. In its present form, the EIA mechanism is criticized for producing data that sometimes fail to stand up to scientific scrutiny. The EIA reports on the Dandeli dam in Karnataka and the Pathrakadavu hydroelectric project in Silent Valley are cited as examples. Scientists raise pertinent questions about the ethics of consultants being retained and compensated by project proponents to undertake the EIA. In some cases, the proponents are allowed to conduct a rapid EIA' so that a more extensive study of forest areas can be avoided. New concerns have arisen in the wake of a move to re-engineer the clearance process as a component of the World Bank-assisted Environment Management Capacity Building programme. The controversial idea is to enable project proponents to commission EIAs and hold public hearings. This will do away with the requirement that these checks on behalf of the environment should be conducted by statutory agencies. Any measure to modernize the functioning of the departments that deal with environmental clearance must be welcomed. The Govindarajan committee on investment reforms has submitted its recommendations in this regard. The basic objective of preserving the environment, however, cannot be sacrificed at the altar of speeding up sanction for projects. The Bhopal gas tragedy was a horrific example of inter-generational harm done to tens of thousands of people by a pliant bureaucracy that could not ensure elementary industrial compliance with environmental laws. (Post facto, the Government could do little to help the victims.) Scientific bodies in the country have advocated the introduction of a more transparent process of environmental and forest clearance and the immediate elimination of red tape in decision-making. The overriding concern of the Government must be to rule out obvious conflicts of interests. For one thing, common sense dictates that the land public hearing process must be insulated from the project proponents sphere of influence. (Ethics and short cuts, E01a, TH.B, 15.12.04)

### E 01b: Environmental Issues

The global race to reverse global warming by reducing emissions of greenhouse gases (GHG) got a shot in the arm with Russia ratifying the Kyoto Protocol. The fate of the international treaty that aims to reduce emission of harmful gases at levels found in 1990 hung in a balance with US's outright rejection and Russia playing hardball.

Russia's announcement joining the party came a month ahead of a crucial summit with European Union where it is set to gain latter's support for its entry into the WTO with concessions as a bargain. Russia's



backing gives Kyoto Protocol 55 percent coverage of greenhouse gases emitted globally and thus legitimacy to kick-in as an international treaty. One of the biggest benefactors in this Russian move is India, which stands to gain thousands of millions of dollars in 'carbon trading.' One of the central schemes under Kyoto Protocol is to trade carbon 'credits' by nations in order to meet their respective national allocation plans. For instance, Germany can buy carbon credits from India to cover its own emission overflows beyond its allocated levels.

India along with Brazil and Chile has emerged a major supplier of carbon credits. This has already raised an alarm among the developed countries about an equitable distribution of carbon wealth. According to a study by World Bank's Franck Lecocq, currently, Japan is the largest buyer with over 41 per cent share in an estimated \$250 million market in 2003-04. Though US are the country with the largest greenhouse gases emissions, it has so far ignored the treaty as being unscientific and a hurdle to its economic growth. If US join then it will emerge the largest buyer of credits. This window of opportunity is open till 2012 by when the emissions are to be pegged back to 1990 levels. It is estimated that it will boom into a multi billion dollar market with premiums of credits shooting up closer to the deadline. The next challenge is to get countries to set up a national and sub-national regulatory framework and allot emissions levels. Only the EU has achieved some success in this regard. (Racing ahead to reverse global warming, Prashanth Hebbar, ToI.B, 25.10.04, E01b)

The best-kept secret in Karnataka is arguably the fact that the State has earned the dubious distinction of figuring at the bottom of the compliance list in wildlife and forest-related cases in the Supreme Court, particularly those related to the December 1996 directive banning felling and clearing of vegetation in protected areas. Interestingly, Bihar tops the list in complying with all directives of the Supreme Court and those of the Central Empowered Committee (CEC). Karnataka has remained without a Minister for Forests and Ecology for the past six months. The Supreme Court passed orders directing the Director of Project Elephant to take note of the death of 77 elephants in the Nagarhole National Park between April and October this year. The State Government, however, continues to be oblivious to the consequences of non-compliance. As if to show what it thinks of conservation and protection of wildlife, the Forest Department has ruffled scores of wildlife lovers and conservationists by deciding to open up the Bandipur National Park, which has 89.02 square km of core protected area, for eco-tourism.

The justification being given is that the department has not sighted even a single carnivore in the park in the past 12 months, and that there is no threat to eco-tourists from these animals. And how can a carnivore, or even a herbivore for that matter, be sighted at Bandipur when a tiger, several elephants, spotted deer and peacocks have got killed by vehicles zipping on the national and State highways that cut through the park. A few months ago, a tiger died after being hit by a truck in the Nagarhole National Park. (Wildlife cases: State at the bottom of compliance list, Alladi Jayasri, TH, 22-11-04, E01b,)

The Karnataka State Pollution Control Board (KSPCB) has set up an Urban Eco-Park, perhaps the largest in South-east Asia, to disseminate knowledge on environmental related issues to the common man. The Senior Environmental Officer of the KSPCB, M.N. Jayaprakash, told that the park was built on 2.43 hectares of land in the Peenya industrial area, which was once used for illegal dumping of industrial waste. The park had about 150 varieties of plants, most of which were bio indicators (the changes in environment are visible in their growth). They were grown using the treated industrial waste and sewage. A common effluent treatment in Peenya plant, which has a capacity of one-lakh liters, has been set up with the help of industries in and around the area for demonstration. A Recycle and Reuse Centre to treat and reuse industrial effluents within the park to irrigate plants has been set up. A demonstration plot enables the students and industries to experiment with treated effluents. (Urban Eco-Park set up in Peenya, by Vidyashree Amaresh, E01b, TH.B,

9.12.04)

## E 01 c Forests Policy and Laws

The Environment and Forests Ministry has allowed diversion of forestland to Government departments for developmental projects and providing public utility facilities. The legal status of the forestland will remain unchanged and it will have to be less than one hectare in area. The clearance of such developmental projects will, however, be subject to the condition that the same is need-based, a Ministry notification has said. The diversion of land will be permitted for construction of schools, dispensary or hospitals, laying of electric and communication lines, drinking water and rainwater harvesting structures, setting up of minor irrigation canals and projects for non-conventional sources of energy.

### Conservation measures

The notification further points out that the project should not involve felling of more than 50 trees and it should be outside National Parks and Wildlife Sanctuaries or protected areas. The user agency will have to plant and maintain twice the number of trees felled on the diverted land. Planting site for the purpose will be identified by the State Forest Department and only indigenous forest tree species will be used for plantation. (Forestlands can be used for development projects, Aarti Dhar, TH.C, 7.2.05, E01c)

## E 40: Sex-Tourism

Increasing HIV/AIDS among truckers across the country has led an automobile association to launch an awareness campaign about unsafe sex on highways. On the Delhi-Bharatpur Agra highway, a tribe's women sell sex under the watchful and approving eyes of their parents and brothers. Sex is cheap and some- times come even less than the price of a chicken burger, says a study done by Sadhana Mohan, an activist with AIDS BUZZ.

Road sex shops: Automobile Association to launch awareness campaign about unsafe sex on highways. On the Delhi-Bharatpur-Agra high tribal prostitutes do brisk business raising the potential for an AIDS epidemic, drive to educate truckers on safe sex. (Drive to educate truckers on safe sex, HT.D, 14.02.2005)

## E 41: Prostitution and Trafficking (General)

The Delhi government has belatedly woken to the problem of trafficking of women and young girls to prepare a policy that is likely to open the Pandora's box on the salacious world of commercial sex. In its draft policy the government has recommended reviewing of the licensing mechanism of massage, beauty parlours and bars. The draft report also adds that the licensing authority must "conduct regular inspections of these establishments and also develop information regarding such activity that should be passed to the anti-trafficking and prevention cell." It impresses the need for a comprehensive action plan covering all aspects, including preventive, anti-trafficking, rescue, repatriation, health care, education and economic empowerment. The mushrooming of beauty and massage parlours in nearly every Delhi colony has not helped matters either. "The government will be setting up a committee at the district level with representations from government departments and non-government organisations. This will be monitored by a state advisory committee," (Delhi beauty parlours under watch, Himanshi Dhawan, TOI.M, 25.10.2004)

The pride of place for the sharpest decline in the child sex ratio goes to Punjab 147 points in the towns and 157 in the villages. In 2001, the towns of Punjab had only 789 girl children for 1,000 boys, the villages had 795. If these trends go unchecked, the child sex ratio in Punjab will fall to 500 or less by 2020. Similar will be the situation in Delhi and Haryana. In fact, things seem to be much worse in Delhi, with a sex ratio currently at



762, going by the number of births reported for January to June 2004. The trends are in the same direction throughout the country with only a few exceptions. The factors underlying these outcomes are complex. Aversion for the girl child is endemic in Indian society, especially among the affluent in the north. Daughters are seen as a liability, as they require dowry to be married off. And with the law of succession as it stands now, daughters can claim a share in the paternal property on the father's death, unless he takes care to leave a will. A son, on the other hand, is seen as an asset and a bearer of the family torch.

While care of women and children is primarily the responsibility of states, should the Centre look on while girls are killed in their mothers' wombs? There is much talk of gender budgeting these days. Budget heads are proposed to be re-classified to help translate gender promises into budgetary commitments. While all this may push India ahead of many countries in 'gender budgeting', no attention seems to be paid to the scourge of female foeticide in a focused manner.

The only initiative taken at the central level is the enactment of the PNDT Act in 1994 to ban sex determination tests. But its implementation has been tardy; hardly any one has been caught or punished for its violation. Clinics performing the tests in towns and cities don't do so openly, but it's common knowledge that it thrives clandestinely. Sex tests and abortion are now provided in rural areas through mobile clinics. So the first and foremost task in battling this scourge should be to devise ways in which the law of Parliament is enforced. (No pride in this prejudice: save the girl child: Place the issue high on the national agenda and punish errant states, Amaresh Bagchi & Lekha Chakraborty, E41/42, FE.B, 19.11.2004)

## E 42 Child Prostitution/Child Sex Abuse

The UNICEF report focuses on how poverty and HIV/Aids threaten childhood. In Karnataka, 61.4 per cent of the children are deprived of toilet facilities, 16.5 per cent are severely underweight, 13 per cent do not use drinking water from a pipe or an hand pump, 13.7 percent live in Kaccha houses and 10.1 per cent have not been to school. The UNICEF presented these statistics, which throw light on the living conditions of children in Karnataka, during the release of its report titled "The State of the World's Children 2005".

**DANGEROUS TREND:** Sex no longer preserve of adults

In Karnataka, the mini- mum age for one to indulge in sex has plummeted to 12-14 years while the average age stands at 19 years. "This is a dangerous trend", said Unicef representative Michel Saint-Lot as he continued with his warning, "we have to catch youngsters before HIV/Aids catches up with them". (A sorry state of childhood, E42, DH, 11.12.04)

Wilhelm and Loetscher Lili Marti, an elderly Swiss couple convicted by a Mumbai court of child abuse and kidnapping in March 2003, are no longer in the country. According to police sources, the couple has gone back to Switzerland but the police do not know how and when they left. The only indication that the couple is no longer in India is that they have applied for travel documents to a third country. (Swiss couple convicted for child abuse missing, Meena Menon, TH.C, 17.2.05, E 42)

## E 71 National parks and Sanctuaries

It is time again for the Government to gird up its loins to thwart Akhand Shikar, the mass hunting ritual of Mayurbhanj tribals, which poses a major threat to the fauna of Similipal wildlife sanctuary. The Pana Sankranti day, steps are being taken to beef up security in and around the sanctuary which has been designated a national park and a tiger reserve. While five sections of armed police would be deployed to keep the hunters

at bay, nearly 100 volunteers of the Sabuja Vahini (green force) drawn from the villages around the sanctuary will be assisting the men in khaki in keeping a watch on the reserve forests of the park. All entry points to the sanctuary, a major tourist attraction would be sealed for the period of the shikar which has been going on for years in gross violation of environmental laws. (Security beefed up around Similipal Sanctuary, Ashutosh Mishra: In view of tribals mass hunting ritual, The Pioneer. D, 22.3.05).

## G COASTAL REGIONS

### G 42 Oil rigs and Refineries

Goa faced a major environmental threat when a barge collided with a big ship at 3.7 nautical miles from Aguada coast. The incident resulted in 110 metric tonnes of 'heavy oil' spillage causing major environmental concern around the area. The fuel tank broke as a result of which heavy oil leaked from its fuel tank. The leak was plugged at 4:00 AM when the Coast Guard was pressed into action. The oil spillage has caused concern in the coastal State even as the Coast Guard initiated action to contain the spillage. While a helicopter service was launched immediately to assess the extent of the oil spillage, two Donier aircrafts were summoned from Daman to undertake a damage control exercise. After initial supervision, State Government officials including Chief Secretary Kiran Dhingra contended that there was no major environmental damage. She, however, admitted that high alert has been declared in the State to monitor the movement of the oil. "All efforts are on to control it," The Coast Guard left no stone unturned to contain the spillage and have requisitioned two more ships from Mumbai. (Huge oil spills off Goa coast as barge collides with ship, Rupesh Samant, Panaji. Goa, 24.3.05)

## K KARNATAKA

### K 10 Policy, Economy

The 2005-06 budgets have hiked the allocation for tourism from Rs 500 crore to Rs 786 crore. Allocation for domestic tourism campaign has been hiked five times from Rs 14 crore (2004-05) to Rs 70 crore in new budget. Significant increase has also been made in the allocation for tourism infrastructure creation, which include Yatri Nivas, wayside amenities, forest lodges, tourist transport etc. A sum of Rs 415.75 crore has been proposed for the year 2005-06 for the said infrastructure while the earlier budget had the allocation of Rs 279 crore for the same. The 'Incredible India' campaign launched by the tourism ministry seems to have borne fruit as the country witnessed a significant rise of 23.5 per cent in the inflow of foreign tourists in 2004-05. (Tourism allocation hiked, DH.B, 2.3.05)

### K 11 Planning

Tourism development is always perceived on a destination basis. The Government can only act a catalyst; the real initiative should come from the people of the particular destination, S.C. Kedar, Secretary to the Government, Department of Tourism and Information. Mr. Kedar was interacting with representatives of the tourism industry, people's representatives and transport operators after inaugurating the tourist information centre at the Karnataka State Road Transport Corporation bus stand. People should create a special tourist-oriented environment and take special care of tourists so that they would return or spread the word about the place in their country.

## Tourism council

One of the important steps the Government had taken to initiate tourism development at the district level was the constitution of District Tourism Councils of which the Deputy Commissioner was the chairman and the local legislators, tour operators and civic leaders were members. This had been perceived as an ideal "platform" for tourism development. At Malpe beach in Udupi, local people had promised to launch a movement to keep the beaches clean. (*Be good hosts to attract tourists*, K 11, TH- 4.12.04)

Karnataka tourism is attempting something even beyond the ambitious. A Rs 600 crore tourism master plan is ready and awaiting implementation to bring in tourists by the droves.

The plan will identify a few tourist spots in every district and develop a grid of hotspots across the state. Destinations have been classified under 15 categories spanning the gamut of heritage and religion to ecotourism and adventure sports.

It's ambitious because, while tourism allocations in all other states and at the central level have been increasing by leaps and bounds, it has fallen drastically each year in Karnataka. But tourism minister D.T. Jayakumar has vowed to reverse this trend.

"We are trying something that very few states have attempted. Development will be slightly different this time. We have empanelled architects and we will be presenting them with the outline. They will have to come up with individual plans. We will handpick the best among them for implementation," tourism commissioner Mahendra Jain said. The plan includes destination development, establishing and improving amenities, setting up accommodation, improving infrastructure like roads and communication network. The master plan proposal is in addition to the 29 projects that the state has proposed to the Centre for funding at an estimated cost of Rs 145 crore for the year 2005-06. Last year, the state got more than Rs 30 crore from the central government, but with the union tourism ministry's allocation being increased by over 50 per cent to Rs 828 crore, Karnataka is pitching for a bigger share. Sandwiched between two tourism intensive states, Kerala and Goa, Karnataka is in a position to tap overflows from the two. It is probably for this reason that arrivals have been growing dramatically. Last year, arrivals to Karnataka grew by nearly 20 per cent to stand at over 2 crore domestic and 3.2 lakh foreign tourists. This year, the state estimates a conservative 20 per cent growth, though the industry estimates that it could even cross 30 per cent if the state government manages to improve infrastructure at select tourist destinations and increase its promotional activity. (*Master plan ready to attract tourists*, Times of India, B, 11.3.05)

## K 12 Infrastructure, Power

About 900 kms of roads in Bangalore city will be upgraded with Chief Minister N Dharam Singh directing the Bangalore Mahanagara Palike to undertake such a road development programme to upgrade city infrastructure. The chief minister said the road up gradation works would be undertaken at a cost of Rs 145 crore. The Bangalore Development Authority (BDA) had been asked to take up infrastructure development works in the municipal councils around Bangalore. Asserting that the coalition government in the state would give equal importance to IT and rural areas, Mr. Singh said infrastructure development works in and around Bangalore city would commence. The government had decided to take up these works under a comprehensive infrastructure development programme that had been chalked out at a meeting with the IT representatives and heads of civic agencies held last month. Such a meeting had been convened after the IT

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industries had expressed anger over poor infrastructure facilities in Bangalore. (*Mr. Dharam Singh will discuss infrastructure up gradation with BMP and BDA commissioners after completion of the southern chief ministers' conference*, DH-16-11-04)

## K 20 Environmental Issues

It is an only matter of time before Kudremukh Iron Ore Company Ltd. (KIOCL) winds up operations in the Kudremukh mines area in the Western Ghats. The closure of the mines is just 11 months away as per the deadline set by the Supreme Court Order of 2001. However, conservationists feel that since there is no concrete plan yet by the company, regenerating the forest area, grasslands and the shola forests that have been destroyed by large-scale mining in the past 30 years will be difficult.

**Three zones:** The conservationists feel that there should be three zones core, tourism and buffer zones. The core zone should have at least 75 per cent of the best areas of the park and it must either be sealed off from human interference or highly regulated for human entry. The first phase of the core zone should be formed around the Kudremukh peak, where very few revenue enclosures exist. This will consolidate a prime wildlife habitat of around 120 sq. km. The second phase should be around the Heggon Estate and Valkunji. The tourism zone should be created around the revenue enclosure of the Kudremukh mining township where infrastructure for accommodation and other ancillary facilities are already available for visitors. Some parts of the highways passing through the park can also be declared part of the tourism area and it could be used to create awareness on the status of wildlife and the need to protect them.

**Ecologically sensitive:** The buffer zone should be created as a 1-km belt outside the boundary of the national park. This area should also be declared an ecologically sensitive zone under the Environment Protection Act. The buffer zone outside the national park should be afforested to provide the biomass requirement of the local people, the paper suggests. This will remove the pressure on natural forests. However, it is indicated that it will take at least three years to achieve full regeneration of vegetation. (*Regenerating forests in Kudremukh*, M. Raghuram, TH, 22.1.05, K 20)

## K 30 Non-tourism issues of Karnataka, Movements in Karnataka

People in four districts of northern Karnataka, hit by drought for the last five years, are agitated over the failure of the Malaprabha River project, which has led to acute shortage of water in Hubli, Dharwad and several other towns in the region. The solution, they say, lies in linking Mahadayi tributaries Kalasa and Bandurinala to the river. The failure of the project, which was launched in 1970 to cater to the drinking water and irrigation needs of north Karnataka, is due to the reduction in the in flow of water to the river because of which the dam built near Sauandatti in Belagaum is working below its storage capacity. The project, on which Rs 400 crore has already been spent, can be rejuvenated if the surplus water in the Mahadayi river tributaries can be diverted to Malaprabha by linking both the rivers, say representatives of the affected people who were here to knock the doors of the Centre for relief. (*Malaprabha River project failure hits North Karnataka*, K 30, BL, 13.12.04)

## K 40 Karnataka Tourism Policy and Plans

Tourism Minister D T Jayakumar disclosed that Rs 1,000 crore would be spent on developing tourism in the



State in the next five years. "Union Minister for Tourism Renuka Chaudhury has promised to release funds every year for executing projects to boost tourism, which is considered as a neglected sector all these years. Ms Chaudhury had assured to release Rs 200 crore every year and Rs 34 crore has already been released," he informed. For Mysore Comprehensive Master Plan is being prepared. The State had sent a Rs 134 crore proposal to the Centre for launching projects aimed at attracting tourists. "The Centre has already released Rs 34 crore and a second proposal seeking additional funds will be sent soon. The plans for development included the coastline where he said efforts would also be made to attract tourists by introducing a 'marine drive' to the 320 km coastline in the State. The backwaters at Karwar, Udupi, Malpe and Gokarna could also be developed to offer new attractions to tourists. For these developments a panel committee had been established to recommend measures for developing tourism in the State and is expected to submit a report in a month's time, he added. *(Thousand crore plan for State tourism: With Karnataka emerging as the preferred tourism destination, the Centre has already released Rs 34 crore for the development of the tourism industry, DH.B, 17.2.05, K 40)*

State-run Jungle Lodges and Resorts (JLR) that has made a mark in promoting cross-country and adventure tourism through its resorts located in forests and on river and sea shores has added one more feather to its cap. A luxury cruise boat "Devbagh Queen," purchased in October last at a cost of Rs.46 laths from the Kochi-based Matha Marine Company is all set to enter the waters next month. This is expected to open up a new era in leisure tourism in the State. The Devbagh Queen will be ferrying tourists from Goa via Devbagh, Gokharna and Sadhashiv Ghad along the Arabian coast and back. Measuring 25 metres long and 5.5 metre wide, the boat can accommodate 40 persons at a time and can be used for hosting a luncheon or dinner party or a conference. It can even move in the backwaters of Kali river as it can anchor even in waters with as low as five feet deep. *(Luxury cruise service from March, B.S. Rajashekara, IE.B, 4.2.05, K 40)*

## K 50 Tourism/Tourism issues in Karnataka

Religious tourism in Karnataka is attempting to tread new grounds with an elaborate action plan on Jain tourism in the run-up to the Mahamastakabhisheka of Gomateshwara in Shravanabelagola.

As a distinctive segment, religious tourism has been gaining a lot of ground, so much so that Karnataka tourism has focused some attention in promoting religious or pilgrimage circuits. It is now using the Mahamastakabhisheka to spruce up the Jain circuit.

"We have prepared a master plan to improve facilities in many of the other places with Jain temples. We have asked the central government for Rs 8 crore in grants to set up wayside facilities, rest houses and other basic amenities. We want to start well before the event, to tap the segment in the run-up," tourism commissioner Mahendra Jain said. Apart from the Gomateshwara statue in Shravanabelagola, the department hopes to evolve circuits including some of these Jain temples:

Bahubali, Dharmasthala.  
Bahubali, Karkala  
Bahubali, Venur (50 km from Mangalore).

'Jain Varanasi' with 18 basadis including the 1,000-pillar basadi, Moodabidri (35 km from Mangalore). Jain basadis in Badami, Pattadakal and Aihole. Six temples in Narasimharajapur, Chikmagalur district Jain mutt in Humcha (60 km from Shimoga). *(Jain temples in Belgaum - Plans afoot to promote Jain tourism, By Anita Rao Kashi, TOI-B, 24.10.05)*

The controversy still prevails whether the district belongs to Maharashtra or Karnataka. The lingua franca of the region is mostly Marathi and even the Kannada spoken here is laced with a generous dose of Marathi. Thanks to this controversy and its associated disturbances, the district has been totally ignored by both the people and the rulers of the State. Belgaum with its lofty green mountains, lush green valleys, roaring water falls, ancient forts and temples could have been developed as a high-potential tourist destination. But alas Karnataka government seems to be more interested in raking up ancient political cases than develop tourist infrastructure in a far-flung district such as Belgaum. Two major rivers flow through the district - the Malaprabha and Ghataprabha - making the region lush green and fertile. In the course of the flow through the mountains and valleys the rivers form several natural and picturesque waterfalls, among them: Gokak and God chinmalki falls are the more popular ones.

Gokak falls is situated in a picture postcard setting between tall, rugged sandstone cliffs. The Ghataprabha River separated from the Malaprabha River by the Belgaum hills flows through the black soil plains before it enters the rocky belt of Gokak. The river takes a giant leap over the sandstone cliff, in a picturesque horseshoe shaped gorge to fall into the Gokak valley with a thundering noise and forming a cloud like foam below. One can actually go to the head of the falls and look down where the water is falling. *(Take the plunge, Gokak falls: Gokak Falls has regained its lost glory and is attracting visitors in droves stresses, Srinidhi Raghavendra L V, DH, 26.10.2004)*

With forest brigand Veerappan's reign of terror having ended, the tourism sector in the three states-Tamil Nadu, Karnataka and Kerala are all set to gain. Fearing Veerappan and his gang operating in over 6,000 sq kms of forest area stretching across the three states, tourist arrivals in the later 1990's had dwindled in places like Bandipur National Park, MM Hills and Biligiriranga Wildlife sanctuaries in Karnataka, Nilgiris, Bhavani, Hogenakkal Falls, and Mudumalai Wildlife Sanctuary in Tamil Nadu and Wayanad Wildlife Sanctuary in Kerala. In October 1997, the kidnap of 23 tourists from Bandipur National Park by Veerappan and his gang further affected the tourist flow.

Though all the tourists were released later, the tourism industry was the most affected due to Veerappan operating in the forest areas of the three states. Even foreign tourists were advised not to travel to these places. Not only tourist attractions, but also even some of the roads had less traffic in view of the gang operating in and around the border areas of the three states. "All such restrictions will go. With Veerappan's death, the tourism sector in the three states will flourish", Murugan, a tourist operator in Salem, said. Things have already begun to change since a week. Hogenakkal Falls, a tourist attraction, located 95-kms from Salem in Tamil Nadu is attracting a lot of visitors, mainly from Bangalore. *(Hogenakkal now hosts horde of tourists from State: With the end of Veerappan menace, tourist operators are cashing in on the opportunity to make that extra buck, Oommen John P, D.H, 26.10.04)*

The world-famous Jog Falls in Shimoga district, once compared to Niagara Falls, is now crying for attention! At times nothing more a mere trickle, the falls does manage to put up a good show during the three monsoon months, if the rains are good. But the year-round beauty of the old times just does not exist anymore. The huge storage reservoir situated upstream of the falls is not of much help and thanks to the ever hungry Karnataka power grid, even a bare minimum release (5.6 cumecs of water, for a couple of hours in a day), required for the rejuvenation of the falls cannot be spared for the obvious reason of loosing out on precious power generation.

This being the case, finding a sustainable source for fetching the water required for rejuvenation of the falls



has remained a challenge for long and the Jog Falls continues to wait for that magic solution which can help its resurrection and bring back its past glory and legendary fame. Many proposals and alternative schemes mooted to resurrect the falls however have remained unfruitful so far. But there seems to be a ray of hope now. A hitherto not so seriously considered renewable resource, the untapped potential energy of the rainwater that collects near the falls and its neighbourhood during the monsoons, may hold the key to solving the whole problem.

**The plan:** An assessment of monsoon yields in the vicinity of falls for over a decade reveals that there is a minimum yield of 48.29 mcumeters of rainwater from the Mavinagundi catchment and the upstream catchments regions combined together. This has a significant potential energy content, both down the valley slopes as well as through the 293 meters high falls in any given year during the three monsoon months. But due to space constraints and also the submersion related problems the said 48.29 muleteers of rainwater yield cannot be stored at the crest of the falls to cater to the requirement later. Alternately, the untapped energy potential of the afore said renewable rainwater resource can be harnessed as and when the yields are realized. The readily available MGHE scheme infrastructure is already in place and waiting to harness the power that way.

If the power so harnessed is managed properly by judiciously allocating a portion of it in a barter deal to avail the required water for falls rejuvenation from MGHE scheme during lean season and the remaining fused for commercial trading, the task of resurrecting the falls for as many as 250 days spread over the year can be effectively and most economically accomplished. This aspect of utilizing the available renewable energy resource for the resurrection of the falls is the most attractive feature of the scheme and in fact is the inspiring force behind evolving the concept plan termed as “Resurrection of Jog Falls with enhanced power generation from the Sharavathi Valley.” By way of implementing this plan, the water requirement to the falls (about 5.6 cumecs rate on 8 hrs per day basis for over 250 days spread over in a year) can be met and an additional, commercially tradable power output of about 4.81 units can also be generated at the Sharavathi valley. What however is both unfortunate and strange is that inspite of the awareness of the guaranteed availability of substantial monsoon yields every year at the crest of the and the existence of the intake infrastructure (i.e. Sirur Balancing Reservoir) as well as the capacity of the under-utilized MGHE power station at a vantage location just a few meters above the falls crest, no serious thought has been given to advantageously utilize this facility for the purpose of rejuvenation of the falls.

**The issues:** The issues of utilisation of MGHE scheme infrastructure and also the policy matters related to harnessing of additional power at MGHE and later bartering it for water release to the falls in a sustained way from the Sirur balancing reservoir during the lean season of the year, however needs to be sorted out before implementing the scheme. It would be more appropriate to involve the Jog Development Authority, the KPCL (MGHE Scheme Authority) and the Karnataka State Tourism Authority as joint venture partnerships to smoothly implement this scheme of resurrection of the Jog Falls. Once the above scheme is made operational and the falls gets rejuvenated for as much as 250 days in a year, tourism will flourish in this region and Jog falls will be recognized as a top tourist destination in the days to come. *(Taking the road back to glory: All it takes is a little effort to restore the lost glory of the magnificent Jog Falls, K Prahallada Rao, DH, 16-11-04)*

The Sea Bird Naval Project, which has placed Karwar on the Defence map of the country, is ready for operation. The first ship is expected to arrive at the harbor on December 4 for trial. Commodore S.S. Karnik,

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Doc Update

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Doc Update

Deputy Director General for Project Implementation, said here today that the Navy conceived the project in the 1980s. Karwar was preferred to other ports because of its geographical advantage and strategic location. The project was estimated to cost Rs. 35,000 crores and once completed, Karwar could emerge as the Navy's third major base after Mumbai and Visakhapatnam.

#### Marine works

He said the marine works mainly related to the creation of a tranquil harbour, dredging of the approached channel and anchorage area and also reclamation of 49 hectares of land from the sea. A consortium of companies, including L&T, Hochtiff, Germany, and Ballast Nadan Dredging, the Netherlands, with Nedikko, the Netherlands, as consultants, built the harbour. The berthing facility, being built by Skanska Cementation Limited, under the supervision of Redecon, Australia, would be completed by December. A unique feature of the project was its Rs. 150-crore ship lift and ship transfer system for underwater maintenance of the ship's hull. The state-of-the-art ship lift was the first of its kind in the country. Syncrolift Inc., U.S, manufactured it. *(Sea Bird naval project ready for operation, R.S. Habbu, DH, 27.11.04)*

The revamped committee on tourism development of Dakshina Kannada has decided to develop tourist spots for the coming Karavali Utsav. At its recent meeting chaired by the Deputy Commissioner, Arvind Shrivastava, here, the panel also decided to put up signboards at various places in the district to help tourists. A press release here said the signboards would be displayed at the Karnataka State Road Transport Corporation (KSRTC) bus station, Bejai; Bajpe airport; New Mangalore Port and so on. The boards would give information on tourist destinations. N. Yogish Bhat, MLA, suggested that the administration tie up with the KSRTC to promote beach and temple tourism. Tourism promotion should be taken up continuously. The Karavali Utsav, which showcases local art and culture, should be used to promote the district as a tourist destination. He urged the Mangalore divisional controller of the corporation to take steps to operate buses to take tourists to the temples and beaches in the city. *(Tourist spots in Dakshina Kannada to be developed, DH-8-11-04)*

State-run Jungle Lodges and Resorts (JLR) that has made a mark in promoting cross-country and adventure tourism through its resorts located in forests and on river and sea shores has added one more feather to its cap. A luxury cruise boat “Devbagh Queen,” purchased in October last at a cost of Rs.46 laths from the Kochi-based Matha Marine Company is all set to enter the waters next month. This is expected to open up a new era in leisure tourism in the State. The Devbagh Queen will be ferrying tourists from Goa via Devbagh, Gokharna and Sadhashiv Ghad along the Arabian coast and back. Measuring 25 metres long and 5.5 metres wide, the boat can accommodate 40 persons at a time and can be used for hosting a luncheon or dinner party or a conference. It can even move in the backwaters of kali river as it can anchor even in waters with as low as five feet deep. *(Luxury cruise service from March, B.S. Rajashekara, IE.B, 4.2.05, k 30)*

#### K 53 Heritage Tourism

Vijayanagara empire was a symbol of protest, the result of a collective resentment against the corrupt rule of Delhi Sulthans. Sangama brothers, founders of the kingdom, however saw it as a means of protecting dharma. For centuries, the kingdom prided itself on the policy of religious tolerance, unparalleled by any other dynasty in history. The sizable number of Muslims in the kingdom played a crucial role in its defense, as King Devaraya II deployed many of them as archers and firemen. He also kept a copy of the Quran on a pedestal besides his throne, to prove his regard for Islam. Devaraya's reign saw the emergence of a unique secular architecture that borrowed both from Indian and Islamic styles. Buildings of the period stand as an evidence of how this



splendid architecture flourished in the kingdom and its overwhelming popularity within and outside its borders. Hampi was included in UNESCO's list of World Heritage sites in 1986. Several harmful activities, including the state government's proposed plan to build a hanging bridge, prompted the 28th convention of World Heritage Committee, gathered in China's Suzou city in September 2004, to retain Hampi in the list. Unless the government and local people realize the importance of the monuments and take efforts to protect them, the great relics of history will one day disappear fully. *(Forgotten bit of history, Shivakumar G. Malagi describes how relics of the greatest South Indian Empire are being gradually turned into dust by negligence and passage of time, DH.B, 26.10.04)*

K 55 Eco/wild life Tourism

Development of eco-tourism zones, a tourism park near Bangalore and a special rain festival to attract tourists from the Gulf are among a series of initiatives being planned by the Karnataka Government to boost the number of tourist arrivals in the State.

The Karnataka Minister for Tourism, Mr D.T. Jayakumar, who is in Dubai for the launch of the Indian pavilion with the Karnataka theme, at the ongoing Dubai Shopping Festival, told that tourism had so far been a neglected sector in the State, but moves are now under way to involve the private sector to launch a number of projects that will boost the image of the State as a prime Indian tourist destination. Karnataka is blessed with a number of natural and historical sites. We are now looking to develop the infrastructure in these sites and also involve the private sector in setting up resorts and other amenities. He also told that ecotourism is one of the focus areas in the State's agenda. The scenic spots on the Western Ghats would be developed, while ropeways would be built in places such as Nandi Hills, Chamundi Hills, Jog Falls and Kollur to offer visitors breathtaking views in these beautiful places. A proposal for building a tourist-cum cultural park and a golf course on 500 acres of land near Nandi Hills on the lines of Surajkund in Haryana is also being looked at, though it is subject to acquisition of land for the purpose. He invited NRI investments in these ventures and stressed the importance of involving the private sector due to budgetary constraints on the Government side. *(Karnataka plans to set up eco-tourism zones, Vimala Vasan, BL.B, 15.1.05, K 55).*

L KERALA

L00 Kerala-Land and People

Land almost on free terms was the only bad byte on the first day of the last round of talks between Kerala government and Dubai Internet City (DIC) delegation on \$300-million smart city project. Three states, including West Bengal, had reportedly offered free land incentives to snap up the coveted DIC project. An empowered Kerala team of five secretaries agreed on providing incentives in power and tax. Smart city project in Kochi is envisaged as a mirror image of the internet city in Dubai. Like DIG, it will offer foreign companies 100% tax-free ownership, 100% repatriation of capital and profits, no currency restrictions, easy licensing, tight cyber security and protection of intellectual property.

Smart Indeed

Project size	:	\$300million
Direct job	:	80,000
Indirect job	:	20,000
Land required	:	1,000 acre
Land for phase-I	:	250 acre

*(Free land issue set to delay Kerala's Smart city project, M.Sarita Varma, FE.B, 19.1.05, L 00)*

L10 Policy, Economy

With the development of the proposed hill highway, it is expected that the State's distances will come to matter relatively less for farmers, as they would be able to move rubber, spices and other hill produce to the industrial hub of Kochi. The 960-km highway that will connect the foothills of Thiruvananthapuram in the south with the countryside of Kasaragod in the north is designed to provide an alternative corridor traversing in the economically backward rural outback in the State. The project is being implemented in two phases with the 418.5-km stretch extending from Kasaragod to Palakkad being taken up in the first phase. The second phase will see work along a distance of 498 km being taken up between Palakkad and Thiruvananthapuram. The Kerala Forest Research Institute, Peechi, carried out an environmental impact assessment since the first phase involved negotiating the protected virgin forestlands straddling the Western Ghats. *(Hill highway to boost Kerala's rural economy, Vinson Kurian, BL.B, 27.1.05, L10)*

The Chief Minister, Oommen Chandy, has said the Union Government will invest Rs. 20,000 crores in various development projects in the State. This is the biggest investment ever received by the State, he said. The State had sought a sum of Rs. 2,371 crores as the third installment of tsunami aid. An amount of Rs. 100 crores was received as first installment. The second installment would be sanctioned soon. *(Centre to invest Rs. 20,000 crores in State, TH.C, 17.2.03, L 10)*

L11 Planning

The Kerala Government has launched 'Vazhioram', a scheme to develop 250 highway motels all over the State, Mr. E.K. Bharat Bhushan, Principal Secretary - Tourism, Government of Kerala said. He said that the Government wants people who own land along highways to participate in this scheme. Each motel would require an investment of Rs 20 lakh and would be eligible for a government subsidy of about 25 per cent or Rs 5 lakh, whichever is less? The design for the motel would be given by the Tourism Department. The road ahead for Kerala Tourism would be one of sustainable development, as the major challenge facing destination managers and policy-makers is how the environment can be preserved, he said. The new Vazhioram scheme will also receive an additional subsidy of Rs 1.5 lakh per motel for waste management.

The Government is also setting up a facility in Alapuzha to accommodate the 600 houseboats there. With the increase in the number of houseboats, waste disposal has become a challenge in this small town. Two waste management systems would be set up at an investment of Rs 35 lakh each, he said. These systems would ensure that the waste is not discharged into the backwaters.

The Government recently introduced a Bill to create four special tourism zones, which are Munnar, a hill station; Kovalam a beach resort; Kumarakom, a backwater getaway; and Fort Kochi, a heritage destination. The officials also felt that there was a need to put these rules in to regulate sensitive zones such as Kumarakom as there was a danger of over-development. He said that it is estimated that an investment of Rs 1,000 crore is coming into a small panchayat such as Kumarakom in the next two years. *(Kerala plans 250 highway motels to woo tourists, 18.2.2005, IE.C, L11)*

L12 Infrastructure

The whole world knows the fable of a war lost for the want of a horseshoe-nail. But the ultimate flattery to the anonymous author of the English nursery rhyme now comes from an Indian state. The Kerala government has spun out a whole department on the theme of last-mile connectivity for projects of 'high economic



significance.' In its 82-day life, Kerala Fasttrack has achieved facilitation of 'the last piece of land' for infrastructure projects worth Rs 1,173 crore. One may recall that for the lack of two cents, the Rs 120-crore expansion of Thiruvananthapuram airport was stalled for eight years. Not everybody agrees with the state government's claim that 'rational pricing' is 'now humane too.' Many Left-run panchayats look at the direct purchase process with suspicion. However, there is a win-win situation in the spin-off effect of the infrastructure project, set in motion by the land deal, says a CPM panchayat president. The new department is targeting setting in motion Rs 10,000-crore worth infrastructure projects in 15 months through land facilitation. (At last, Kerala infrastructure gets a land facilitator, showing results: A new department has been established to speed up projects, M. Sarita Varma, FE.B, 17.2.05, L 12)

### L31 Peoples Movements

The Supreme Court has held that if a husband, a tenant, deserted his wife and left the house, the landlord cannot evict her so long as she pays the rent and performs the conditions of tenancy. Writing the judgment, the Chief Justice said that such a wife would be entitled to raise all such pleas and claim trial as would have been available to the tenant himself and no more. A deserted wife in occupation of rented premises could not be placed in a position worse than that of a sub-tenant contesting a claim for eviction on the ground of sub-letting. "Having been deserted by the tenant, husband, she cannot be deprived of the roof over her head where the tenant has conveniently left her to face the peril of eviction attributable to default or neglect of himself," the Bench said and added, "this right comes to an end with the wife losing her status as wife consequent upon decree of divorce and the right to occupy the house as part of right to maintenance coming to an end." (Landlord cannot evict woman deserted by husband, TH.B, 17.2.05, L 32).

### L50 Tourism/Tourism Issues in Kerala

A Tourism package will be launched at Pathiramanal, the Chief Minister, Mr. Oommen Chandy, has said. He was replying to questions raised at a face-to-face programme. The Chief Minister fielded a volley of questions as a large number of people attended the question-answer session. Pathiramanal, a small island on Vembanad Lake, is attracting a number of foreign and domestic tourists. The island, renowned for its rare species of birds, is a tourist destination with a diversified eco-system. The island will get priority over Kumarakom in development works, the Mr Chandy said. Development of the area would be an added attraction to lake tourism also. Situated at the centre of Vembandu Lake and spanning over 28.5 hectares, it is the land of rich bio-diversity with mangroves and rare water birds including night herons, egrets, cormorants, darter etc. The Centre for Earth Science Studies, which conducted a detailed survey of the island, has warned that any development work in Pathiramanal could be undertaken only after ascertaining the possible environmental impact. (Tourism package coming for Pathiramanal: Chandy, Aravindan, BL, 10.10.04)

Bharat Petroleum Corporation Ltd (BPCL) has teamed up with Kerala Tourism to set up tourist information centres at some of the company's retail outlets in the State. Called the 'Bharat Petroleum Tourist Information Centre,' these information kiosks will be established at select BPCL retail outlets located along the State's highways and also at the company's petrol bunks at key locations in the major towns, said Mr S. Varadarajan, General Manager-Retail (South), BPCL. The company plans to have a "significant" number of these kiosks in place - especially along the highways - by December this year, said Mr S. Radhakrishnan, Director-Marketing, BPCL. Inaugurating the first 'Bharat Petroleum Tourist Information Centre' in Thiruvananthapuram on Monday, Mr K.C. Venugopal, Minister for Tourism and Devaswoms, pointed out that an important issue confronting Kerala's tourism sector is the absence of proper wayside amenities along the highways. Kerala Tourism is also

planning to launch a project to create wayside amenities, the Minister said. Likely to be called 'Vazhioram,' this project will involve private sector participation, he added. BPCL is also expanding its 'In & Out' convenience store network in the State. (BPCL outlets in Kerala to house tourist aid centres; L 50, BL-23-11-04).

The first among the tourism projects with private participation has gone on stream in Kerala. Kochi-based Mahnami Heritage Hotels Pvt has developed the Kerala Public Works Department rest house in Aluva, to a four-star heritage hotel on an investment of Rs 3 crore. Mahnami managing director M N Satish told that around three years ago, eyeing the growing tourism inflow in to the state, a proposal was submitted to the state government suggesting development of its rest houses by private groups. Mahnami through an international bidding succeeded in getting the properties at Aluva and the temple town of Vaikkom. While the Aluva project is being given the final touches, work on the Vaikkom project would begin very soon. The Aluva project also received a boost when Federal Bank became the first to enroll as a corporate member. The property has been leased out for 30 years with the company having to pay between Rs 4 lakh and Rs 6 lakh annually to the government. Unlike other projects where there is some compensation for the investment on developing the property under this project the developer has no government assistance. (KERALA'S first private-public tourism venture goes on stream, L 50, FE-C 9.12.04)

The Union Government is studying the various proposals in the wish list submitted by the Kerala Government for consideration while preparing the Budget to be presented on February 28. The state looks forward to develop Tourism. The proposals for promotion of tourism are: Rs 10 crore for International Hospitality and Management Institute at Alappuzha; Rs 150 crore for canal and backwater networking project; Rs 140 crore for convention centre at Thiruvananthapuram and Rs 100 crore for improvement of road access to tourist destinations. (Budget: Centre studying Kerala Govt's wish-list, Shafi Rahman, NE.Thiruvananthapuram, 24.2.05)

Despite a boom in business tourism last year, Kerala's tourism planners are concerned about a host of quality related issues. The average tourist has many complaints about basic amenities, despite Rs 1,000 crore investment pumped into building different categories of star hotels in a single year. When 200 top executives of Microsoft Corporation chose to hold a working holiday on luxury houseboats in Kerala's backwaters, some took a fancy to walking tours, expeditions with local fishermen and trekking uphill green thickets. Bermuda-clad, laptop-wielding CEOs tracing village paths are the result of aggressive tourism promotion in the state. But for Kerala Tourism, this also means the risk of up market clients getting exposed to down market service delivery. (Grit in the boom: Kerala tourism has a problem with ground issues, God's own country could do with better travel basics, L 50, FE, 13.12.04)

Tourism in Kerala is taking a new slant opening up opportunities for non-traditional investors like medical professionals for investment opportunity. Unlike Bangalore and other metros, where modern speciality hospitals are giving a fillip to health tourism, investors in Kerala are pitching for ayurveda, Kerala's forte, for both treatment and wellness to attract more tourists. "Health tourism is a \$10-billion industry. We hope to focus on the segment to drive our business," said Dr N. Madhu, one of the three promoters of Cherai Beach Resorts in Kochi. He said that with its basic expertise in ayurveda, Kerala should be able to garner 25 per cent of the overall share in the wellness and medical tourism business.

Dr Madhu, who is consulting surgeon & Director, Chaitanya Nursing Home, said that though ayurveda had suffered a setback due to some unscrupulous operators, the Kerala Government's move to issue accreditation to practitioners would reinforce its credibility.



Cherai Beach Resorts plans to take the help of Kerala Ayurvedic Pharmacy Ltd, an institution providing training to doctors and doing research in the science apart from running clinics and hospitals, to equip itself with facilities for authentic treatment and wellness programmes for those seeking treatment.

Apart from being a getaway retreat, Cherai Beach Resorts would provide its guests both wellness and treatment facilities, said Dr N.S. Ranjith and Dr K.R. Ramachandra Menon, the other two promoters.

Located within 20 km from Kochi city, Cherai Beach Resorts is set on the banks of the picturesque backwaters and beaches. It has 31 modern garden villas facing backwaters and beaches, Dr Madhu said. *(Cherai Beach Resorts plans to focus on health tourism, ET.D, 21.3.05).*

### L51 a Backwater Tourism

In view of the enthusiastic response from tourists to backwater cruise, the Kerala Shipping and Inland Navigation Corporation (KSINC) is in the process of launching one more vessel as part of its backwater tourism promotion initiatives. The KSINC Managing Director, Mr K. N. Satheesh, said that the Corporation would soon deploy one more vessel, which was recently taken over from the District Tourist Promotion Council, Kollam for a facelift. The vessel Ashtamudi was taken over by the Corporation after providing a token payment of Re 1 so as to convert it into a modern vessel, which can be operated in the backwaters to promote tourism. The maintenance work is expected to cost around Rs 30 lakh, which would be completed in six months. KSINC had brought the vessel to its Slipway Complex at Thoppumpady by toying the vessel through the backwaters from Kollam. It was a very difficult voyage to tug the vessel through the backwaters. The roof and chimney were removed so that they did not ram into low-lying bridges. It could not be taken through the sea due to some holes in the hull, said Mr Satheesh. After completion of the work, the vessel will be deployed either in the backwaters of Kollam or Kochi for sight seeing purposes. However, a decision in this regard will be taken by the KSINC Board, he said. Referring to the package offered by Sagara Rani, which was launched by KSINC about two months back, Mr Satheesh said that there has been a good response from tourists, especially for exclusive bookings. The sunset cruise tops the demand list, as the ship goes well into the sea for two hours. KSINC is charging Rs 200 per head. Last month, the Corporation had able to fetch Rs 2 lakh from its tourism cruise through the backwaters, he said, adding that this was achieved even without a full-fledged marketing strategy. *(Another vessel for backwater tourism in Kerala; BL-10-11-04)*

### L 52 a Sabarimala

Travancore Devaswom Board (TDB) has reiterated its resolve to solve the problems faced by Ayyappa devotees at Sabarimala by the next pilgrim season. The member of the board said the board had already decided to initiate steps on a war-footing to provide more basic facilities at the hillock as well as at the base camps at Pampa, Nilackal, Sathram, Uppupara and Erumely. *(Steps planned to solve problems of Sabarimala pilgrims, Radhakrishnan Kuttar, TH.B, 17.1.05, L 52 a)*

The Travancore Devaswom Board (TDB) President, Mr G. Raman Nair urged the Centre and the Kerala Government to declare Sabarimala a national pilgrim centre. He also said at present a major part of the income received at the temple was being utilised for meeting electricity bills and for development work. If Sabarimala was declared a national pilgrim centre, funds required for development work and to provide improved facilities to pilgrims could be met by the State and Central Governments. Mr Nair said Rs 25 crore had been remitted to the State Government for electricity and other charges by the temple, out of total revenue of Rs 60 crore during the festival season. The Devaswom Board had already submitted a memorandum to the Public Accounts Committee for the immediate release of 25 acres of forestland at Pampa-Thriveni for parking vehicles. *(Declare Sabarimala a national pilgrim centre, BL.B, 11.1.05)*

## M TAMIL NADU

### M 10: Policy & Economy

The Tamil Nadu government will implement a Rs 715 crore World Bank-aided empowerment and poverty reduction project in the coming fiscal in 15 backward districts of the state. The proposed project was aimed at reducing poverty and empowering women and the disadvantaged. The objectives of the project would be to empower the poor and improve their livelihood by developing and strengthening local institutions and groups, building skills and capacities of the poor and financing productive demand-driven sub-project investments. The project will be implemented in 2,300 village panchayats in 70 blocks and benefit 3.5 lakh poor families. *(TN to implement World Bank aided project in 15 districts, FE.C, 19.3.05. M 10)*

### M 12: Infrastructure

The monsoon has played havoc with Chennai's roads again and further delayed the work on the six-lane highway to replace the Old Mahabalipuram Road.

Not that the work was about to commence, but the process is getting further delayed. Beyond three km from the Madhya Kailash junction, land acquisition remains a major roadblock for the proposed IT corridor. But time is running out for IT majors and Business Product Outsourcing (BPO) companies, which seem to be in a great hurry.

"We are not looking at a 2007 deadline for development. We want to expand operations in 2005, preferably in the first quarter. That is the urgency of the situation we find ourselves in," says the Chennai chief of an IT major. A core committee of major IT players, which have set up base in the Old Mahabalipuram Road and want to significantly expand their operations here, has been meeting periodically to review not just their plans but also the infrastructure requirements in the zone. It has also been interacting with the Government and its Task Force for the development of the IT corridor. But it feels things are not moving as fast as they should. *(Land acquisition delays infrastructure improvement for IT corridor, V. Jayanth, M12, TH, 15-11-04)*

### M 20: Environmental Issues in Tamil Nadu

The Tourism potential of Dharmapuri district, which has one of the famous sightseeing attractions in the State, Hogenakkal, remains untapped. The residents are sore over the increased degradation of the spot, which attracts tourists from all over the State and neighboring Karnataka. Indiscriminate dumping of plastic and sewage waste into the falls threaten the ecological balance. Barring the Government-run Tamil Nadu Hotel, none of the hotels here has adhered to the pollution control norms. *(Garbage ruining Hogenakkal's beauty, TH.C, 21.1.05, M 20)*

### M30 : Non-tourism Issues, Movements in Tamil Nadu

The District Collectorate at Thoothukudi, T.N., the venue of the second round of public hearing on Sethusamudram project, witnessed tense moments as fishermen raised their voices loud and clear, opposing the implementation of the project. Fishermen from various parts of the district had come determined to protest the implementation of the project. At times the situation seemed to get out of control. *(Fishermen's protest loud and clear, M 30, TNIE-C, 1.12.04)*

### M 51: Coastal Tourism

Fishermen of Thanjavur district wanted the Government to take adequate safeguards to protect their livelihood before implementing the Sethusamudram project. At a public hearing on the project organised by the Tamil Nadu Pollution Control Board at the Collectorate here, the fishermen expressed apprehensions that their livelihood might be affected by the project.



*Dwindling fishing area:* V. Venkatachalam, State vice-president, Tamil Nadu Fishermen Association, said the coastal line of Thanjavur district was reduced to only 47 km after trifurcation of the composite Thanjavur district into Tiruvarur and Nagapattinam. "We have now a very small coastline from Kattumavadi to Muthupettai. This is in Palk Strait and the depth is very less here. If canal is dug for Sethusamudram project, area for fishing by Thanjavur district will be further reduced."

*'Threat to ecology':* M. Arunachalam, Associate Professor, Centre for Environment Sciences, Manonmaniam Sundaranar University, said the project would be a disastrous one from the environment point of view. The Sethusamudram project region was rich in biodiversity. About 3,600 species of plants and animals were present in the zone. Jesu Rathinam of Coastal Action Network said the impact and assessment report prepared by the National Environmental Engineering Research Institute, depending on which clearance was given, was based on secondary data. "They have used old and outdated data with respect to bio-diversity. Dredging was also not economically feasible in the area. The sea is shallow in the project area and has fragile eco-system." The Thanjavur Collector, J. Radhakrishnan, said the opinions of all those who spoke would be conveyed to the State Government and the Tamil Nadu Pollution Control Board. (*Sethu project: 'protect fishermen's interests', M 51, TH-27-11-04*)

### M 53: Heritage Tourism

Archaeologists have found "structures" buried in the sea off the coast of Mahabalipuram in Tamil Nadu that shows evidences of "human activities" and could lend credence to the age myth of existence of seven temples in the area, five of which are believed to be under the sea. Mahabalipuram, which was recently ravaged by the killer tsunami, is known as the land of "seven pagodas" and archaeologists say they have found stone blocks and pottery under the sea and are examining whether the site is that of the fabled temples that went under water. "Some of the rocks we found under sea bore definite signs of human activities. We have already found remnants of a temple off shore. This new finding is not in isolation and we will have to compare and correlate it with the on shore structures," said Alok Tripathi, deputy superintendent of the Archaeological Survey of India (ASI). (*Seabed structure could be temple. The Pioneer. D, 13.3.05*)

## N ANDHRA PRADESH

### N 00: Andhra Pradesh

The State Government has entrusted NINE Plus, a consortium of four leading national institutes with expertise in environmental issues, with a comprehensive environment study.

The study will focus on the carrying capacity, large area environmental audit and the environmental load specific areas can take. This data will help the State Government to better plan industrial conglomerates and cluster development. Giving this information, Dr K.V. Raghavan, former Director of the Indian Institute of Chemical Technology (IICT), that the AP Government has provided initial financial support to the project.

"We are looking for funds from the Ministry of Environment and Forests (MoEF) and the industry also", he said. The project started a few months ago would also collect large-scale data on air quality, soil, groundwater, bio-diversity and projections of human population in the State, Dr Raghavan, who is currently the Chairman (Recruitment & Assessment Centre), Defence Research & Development Organisation (DRDO). Nine Plus was formed just over a year ago, by pooling the resources expertise from the IICT, NGRI (National Geophysical Research Institute), NRSA (National Remote Sensing Agency) and the EPTRI (Environmental Protection Training and Research Institute) to provide a balanced perspective on environmental issues through studies and consultancy. The focus of the consortium is on industry and development projects, where environment impact assessment and audit have become critical issues. "We are developing new concepts for industrial projects also", Dr Raghavan said. The EPTRI is the nodal agency for the consortium, which would draw on the expertise of satellite data and imagery from NRSA; groundwater

and soil studies from the NGRI and hazard assessment and pollution from the IICT. The Nine Plus consortium was formed to ensure a balanced scientific view on environmental issues, pollution and setting up of hazardous industries and industrial complexes, which are surrounded by lots of controversies (Nine Plus to undertake environmental study in AP, BL, 10-11-04)

The Andhra Pradesh government has come up with a novel idea to tackle the agrarian crisis - "exporting" farmers to far-off foreign lands in search of prosperity. The state government has signed letters of intent (LoI) with Kenya and Uganda to send farmers in batches to cultivate lands in the two East African nations in, what is being billed as, a "win-win arrangement".

As per the plan, the land will be given to farmers' cooperative society from AP on a 99-year lease to enable them develop it using their expertise and prosper in the process. The process of formation of farmers' cooperatives would be finalized soon and the first batch of 500 farmers will head for East Africa in the middle of next year. After completing the process of selection of farmers, identification of crops to be grown and finalizing funding for the project, the state government would sign memorandum of understanding. Mr. Reddy, who had recently visited Kenya and Uganda for consultations, said plans were being devised in a such a way that each member of the farmers' cooperative society gets 100 acres of land for cultivation of paddy, maize, cotton, sugar- cane and tobacco, besides developing sericulture. The innovative move is aimed at providing a lucrative alternative to farmers who have been facing drought and crop losses for six straight years. Several debt-ridden farmers have committed suicide and the tragedy is still continuing despite the bailout package unveiled by the Congress government. "Exporting farmers to Africa is a win-win situation for both".

"The African countries are endowed with fertile lands but lack farming expertise to turn them into instruments of prosperity while our farmers have the requisite innovation and green revolution experience to help achieve turn around and benefit themselves in the process," state agriculture minister N Raghuvveera Reddy said. Brushing aside scepticism over viability of such an experiment, the minister said it would benefit the farmers of the state.

Under the first phase, 20,000 acres of private land has been identified in Uganda through Uganda Investment Authority for a 99-year lease for a nominal fee of \$3.75 per acre per year. In Kenya, Tana and Athi Rivers Development Authority (TARDA) and Kerio Valley Development Authority (KVDA) have identified the land to be given on lease. "We're still negotiating the price for the land in Kenya," The officials said offers have been pouring in from several African countries including Ethiopia, Tanzania and Nigeria to develop vast stretch of lands in their countries. "Our farmers have required expertise but are facing constraints here because of continuous drought and shortage of fertile land. They will now be able to take full advantage of the land and Infrastructure in Africa," the minister said. The government is also planning to provide financial assistance to Africa-bound farmers through bank loans. Though endowed with rich alluvial soils, Kenya suffers from acute food shortages, as agricultural productivity there is very low and farmers lack knowledge of modern agriculture. (*AP farmers to till land in Africa: "We've signed LoI with Kenya for 50,000 acres and with the Uganda investment authority for 20,000 acres. Our farmers will work there as entrepreneurs and are allowed to repatriate their earnings back home" FE-19-11-04, NOO*)

The second phase of International Labour Organization's child labour project was launched by the British secretary of state -for international development Hilary Benn. The estimated cost of the project is Rs 40.2 crore, and will be funded jointly by DFID (Rs. 20.2 crore) and the Andhra Pradesh government (Rs. 20 crore). The project will have three years duration. The first phase of the project was entirely funded by DFID. Speaking on the occasion, Mr. Hilary Benn said that DFID is convinced of the State government's commitment to eliminate child labour from Andhra Pradesh. "DFID is pleased to extend support to the government in the second phase also," he said. Mr. Benn said: "The important element of the second phase is tackling more difficult issues around children working in the cities largely invisible children, working in people's homes or living on the street."

The first phase of the ILO's project for elimination of child labour was completed in March 2004, which was



also funded by DFJD focusing on strengthening of environment in support of elimination of child labour. The first phase focused on two districts - Kurnool and Mahboobnagar. While the second phase will focus on urban child labour, skills training for adolescent children and institutionalizing child labour as an area of concern for employers and organizations and for civil society organizations. (*Phase-II of ILO's AP child labour project launched, N00, FE-30-11-04*)

The Union government has sanctioned a sum of Rs 8 crore for the development of the Kurnool tourist circuit in Andhra Pradesh. The money would be utilized for the development of famous pilgrim places like Srisailem, Tadipatri, Mahanadi, Ahobilam, Mantralayam and other important tourism spots.

The Central government has also decided to take up construction of interpretation center, rest room for tourists, parking facilities, landscaping of various sites, illumination and other public amenities in the circuit on priority basis. The work would be completed in 18 months in coordination with the Andhra Pradesh government. Sanctioning the amount, minister of state for tourism Renuka Chowdhury hoped that after the circuit was fully developed, private sector would come forward to set up hotels and other allied tourism industries. (*Centre sanctions Rs 8 cr for Kurnool tourist circuit, N00, FE-26-11-04*)

In a major initiative in infrastructure development in the civil aviation sector, Hyderabad International Airport Ltd (HIAL) announced the signing of concession agreement with government of India to develop a green field international air- port at Shamshabad near Hyderabad. The project will be developed in phases and is expected to become operational by 2008. The project cost for the first phase to be completed by 2008, is estimated at Rest 1,418 crore. The project is envisaged to be developed under the framework of the public private partnership route. (*Hyderabad International airport project deal inked, N00 / C 24, FE, 21.12.04*)

The Andhra Pradesh government is in search of other means of funding its pet scheme of providing free power to the agriculture sector. Informed that the State government has sought Rs 500 crore from the Centre towards free power. In the meantime, the AP Transmission Corporation (AP Transco) has resolved to the World Bank team that it is continuing the power reforms, without any deviations and the Bank must continue its support to the programme as earlier. The World Bank team is now evaluating various schemes funded by it and also funding future projects. According to sources, this includes the issue of third installment of the 'structural adjustment loan' (SAL) to the tune of Rs 1,600 crore. The State had received over Rs 3,000 crore under SAL 1&2 in the previous years. Meanwhile, the State's irrigation department has submitted investment proposals worth Rs 10,000 crore to take up irrigation projects in the State. The World Bank team has assured the office that it will consider after reviewing the projects the sources. (*AP seeks Rs 500 cr from center for free power to farm sector, KVVV. CHARYA, FE. B, 14.1.05, N 00*)

The Andhra Pradesh Tourism Development Corporation (APTDC), in association with City tour operators, will launch a series of package tours, in an attempt to woo tourists to that state. The Department of Tourism director of Andhra Pradesh said, "Andhra Pradesh offers multiple attractions of leisure, heritage, pilgrimage, shopping and entertainment. Tourist destinations in Andhra Pradesh and Bangalore City are well connected through air, rail and road." He added that Andhra Pradesh had the potential to tap a large number of tourists from Sri Lanka as the state had a large number of Buddhist shrines. (*APTDC to strengthen tourism ties with City, VT.B, 14.2.05, N00*)

Former Andhra Pradesh chief minister N. Chandrababu Naidu may have been the poster boy of India's new economy and reform brigade at one time, but the World Bank knew all along that the image was a facade. A report prepared by the bank points out how the reforms-friendly Naidu regime was no different from previous governments in Andhra Pradesh and negates all claims made by Mr Chandrababu Naidu about dramatically improving the state's economy and infrastructure. The report, in the possession of IANS, found major failings in Naidu's Vision 2020 that sought to turn the primarily agrarian state into a knowledge-intensive one with IT and biotechnology envisaged as engines of growth. "He (Naidu) stopped the World Bank from releasing the report before the general election in April- May 2004 because it was highly critical of his tenure," a bank official said, speaking on condition of anonymity. "Achieving the Vision 2020 growth targets

would also involve a change in mindset," the report said, alluding to Mr Naidu's fixation with IT and emerging technologies. The report was finally released in August 2004, three months after Mr Chandrababu Naidu lost the polls after nearly nine years as chief minister. (*World Bank rips Naidu Image: Criticises 'development ' in Andhra Pradesh, M. Karthikeyan, AA.B, 22.2.05, N00*).

## P GOA

### P 00: Tourism Related

The big annual event the Goa Carnival in a new forms the Fusion Carnival promising four days of fun and frolic to Goans and tourists. The Carnival's origin can be traced to the feasts of ancient Rome and Greece that made its appearance in the Spanish and Portuguese colonies, metamorphosing into Latin singing-dancing-drinking sessions. The Carnival in Goa is unique as such as event is not known in any other part of the country. (*It's carnival time in Goa, Anil Sastry, BL.C, 6.2.05, P00*)

## Q NORTH EASTERN STATES

### Q 00: North Eastern Tourism

The tourism ministry has lined up a plan to interlink the north-east (N-E) to the eastern parts of the country for promoting domestic and international tourism.

Some highlights of the package are non lapsable fund, introduction of mountain airlines, revoking inner line permits for domestic tourists, promoting angling, eco-tourism and adventure sports in the region and organizing state-specific festivals for luring tourists to N-E. "North-east is a jewel in our crown. Developing tourism in this part will be the only way to bring about economic development of the region,". (*Ministry planning to boost tourism in northeast, FE.B, 22.2.05, Q 00*)

THE STATE HUMAN DEVELOPMENT REPORT 2004 for NAGALAND, the first for the State, is revealing in many respects. According to conventional wisdom, the decades-long insurgency, which has claimed thousands of lives, should have pulled the State down in every way. Quite to the contrary, Nagaland scores higher than the national average in several important areas, including life expectancy at birth, adult literacy, and per capita income. These are the three indicators that go into the computation of the Human Development Index, a concept formulated by Amartya Sen and Mahbub-ul-Haque in 1990 for a comprehensive measurement of development. The HDI for Nagaland is 0.62, which is significantly higher than India's 0.472. The State also scores better on the Gender Disparity Index, which compares human development between the sexes. These are commendable achievements and speak to the determination of the Naga people to overcome the political and development constraints that the insurgency placed on the State, on top of the challenge of geographical remoteness from the rest of the country. The report credits these strides in development to the "social capital" stemming out of traditional village institutions and the unique framework of gender relations among the Naga people. The survival of these institutions and practices in the midst of conflict is by itself a matter for celebration.

On the basis of its HDI, Nagaland ranks 11 among all Indian States. But there are several gaps in its development, most notably in the areas of infrastructure and industrial growth. The report also makes the point that notwithstanding the high literacy rate, the quality of education has declined. Of serious concern is the high rate of unemployment among educated youth. Rightly, the report places emphasis on lasting peace as an essential requirement for the future development of the State. Released at the end of January, the report could not have come at a better time. Over the past two months, the peace process between the Centre and the National Socialist Council of Nagalim (Isak-Muivah), the group at the forefront of the insurgency, has reached a significant stage. The two sides have conducted several rounds of talks since mid-January in New Delhi in an attempt to make a breakthrough in the peace process that began with the declaration of a ceasefire in 1997. The truce with the NSCN (I-M) and the ceasefire agreement signed subsequently with the



Kaplang faction in 2001, did not just silence the guns in the State. They have created a yearning for a permanent peace through a negotiated political settlement of all the issues at stake in Nagaland.

These positive developments should strengthen the hands of the NSCN (I-M) leadership and the Central Government as they continue their negotiations. Although very little concrete information is available on the progress made in these talks, it is clear that both sides are serious about the process; neither wants a slide back into bloodshed. The recent two-month visit by Isak Chishi Swu and Thuingaleng Muivah to Nagaland their first after three decades of self-exile abroad during which they interacted with all sections of the Naga people, is of considerable importance. It is also significant that a declaration issued at the end of a consultation between various Naga representatives and the NSCN (I-M) leadership expressed support for "an honourable solution to the Indo-Naga political issue on the basis of the uniqueness of Naga history and situation," but did not mention sovereignty, one of their two key demands. Although it projected the other demand the integration of all Naga areas in other parts of the Northeast as "non-negotiable," the current atmosphere presents the best possible opportunity ever for finding a just and honorable solution. The Naga leadership and the Central Government must put their best foot forward to seize the opportunity. (Go for it in Nagaland, TH.B, 19.2.05, Q00)

## S OTHER STATES

### S 10: Eastern India-Orissa

Greenpeace has joined the local environmentalists and wildlife activists to protest the proposed port project at Dhamara in the Orissa coast, to save the turtle nesting ground at Gahirmatha beach inside Bhitarkanika wildlife and marine sanctuary. The Gahirmatha rookery is the largest nesting ground in the world for Olive Ridley sea turtles, an endangered species. Every winter lakhs of these rare sea turtles arrive in Gahirmatha and two other nesting grounds in the state for mass nesting, popularly known as "arribada".

"Of the many threats to the Olive Ridley turtles and the unique eco-system of Orissa coast, the proposed port at Dhamara is the most immediate threat. The port project is an ill-advised and ill-thought of plan which will have a disastrous impact on the turtle nesting ground at Gahirmatha", Richard Page of Greenpeace International and Sanjiv Gopal of Greenpeace India told newsmen on board Greenpeace ship, Rainbow Warrior on Friday. The rainbow Warrior, the flagship of the international NGO known for its worldwide campaign for the protection of environment and wildlife, has been anchoring at Orissa's Paradip port since November 17, as part of its global 'Save our Seas' mission.

Mr Page and Mr Gopal said, the construction work for the proposed Dhamara port, about 20 kms from Bhitarkanika sanctuary, will severely disturb the eco-system in the locality. "Once the port is functional, the increased volumes of shipping traffic and resultant pollution from oil spills, chemical leaks and other effluents will pollute the water and destroy the turtle congregation zones", they said. They informed that the Greenpeace would be writing letters to Orissa Chief Minister Naveen Patnaik and the private companies involved in the port project soon, to draw their attention about the disastrous impact the project would have on the Gahirmatha turtle nesting ground. "We hope better sense will prevail and the port project will be re-located". The multi-crore port project is planned to be set up in private sector. The Greenpeace activists also expressed concern over the death of large number of Olive Ridley sea turtles due to fishing activities in the Orissa coast despite a ban order on fishing near the turtle nesting grounds during the turtle season. "Over last decade close to 100,000 adult turtles have suffered from human activities on the coast of Orissa, with the mechanised fishing being the principal cause", Mr Page and Mr Gopal said. (Green peace said the port project will have a disastrous impact on Gahirmatha rookery, the biggest and last, mass nesting ground for Olive Ridley sea turtle, ST BEURIA, 26.11.04)

October 2004 March 2005

Doc Update

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Doc Update

The Tata Group today committed major investment in steel, tourism and information technology sectors in Orissa. Four memoranda of understanding were signed in this regard at the State Secretariat. The MoUs related to the setting up of a six-million tonne integrated steel plant at Duburi in Jajpur district of the State, a major IT development centre at Infocity in Bhubaneswar, setting up of four Indi-One hotels in Bhubaneswar, Puri, Konark and Paradip, and development of two special tourism zones between Puri and Chilika lake. The Chief Minister, Naveen Patnaik, and the Chairman of Tata Sons, Ratan Tata, were present when the MoUs were signed. The steel plant will be built in two phases at a cost of Rs. 15,400 crores. The first phase will become operational in 2008. Mr. Patnaik expressed hope that the projects would be completed in time. Speaking on the occasion, the Chief Minister assured all support to the Tata Group, while Mr. Tata felt confident that the new projects would contribute towards the development of Orissa and the country as a whole. (Tatas' major investment in Orissa, TH-18-11-04)

The Government of Orissa will organise a conference of stakeholders in the tourism industry in March this year with a view to gathering inputs that would be leveraged before the formulation of the State's new tourism policy. The State hopes that its focus on public-private partnership will provide the right boost to the tourism sector in Orissa. The objective of the conference was to know the mindset and expectations of prospective investors and stakeholders in the tourism business before an appropriate tourism policy could be formulated and unveiled. The State Government has already engaged Price water house Coopers to suggest the laws that need to be amended so that the tourism sector could grow at a faster pace. The State Home Department has been requested to permit tourism in tribal areas as well. The state had invited agencies such as the Singapore Tourism Board and Shapoorji Pallonji to invest in the tourism sector in the State. Efforts were also on to set up a tourism board in the State on the lines of the Singapore Tourism Board or the one that exists in Uttaranchal. A sum of Rs 42 crore has been provided to improve the road infrastructure and facilitate connectivity within tourism circuits and between one tourist circuit and another. According to Mr Patro, a special tourism area was being developed 7 km from Puri between Puri and Satpada. One thousand acres of land has been acquired for the purpose. The Taj Group of hotels has been appointed as consultants to design the special tourism area where an estimated Rs 700 crore would be invested in two phases. (Orissa tourism action plan puts thrust on pvt public initiatives, BL.B, 22.1.05, S 10)

### S 20: North India-Himachal Pradesh

The Himachal Pradesh Government has taken a decision to charge maintenance fee from tourists visiting the popular destinations in the State. Both local and foreign tourists blight the beauty of these places by littering polythene bags, leftovers of eatables and pointed out that imposition of cess would help keep these tourist destinations clean. The fee would also be used for providing essential services like ambulance and basic amenities to visiting tourists. The Tourism Department has been asked to formulate a detailed proposal for early implementation of the scheme. The exact amount of fee is yet to be decided but it would not be unreasonable considering the services that would be made available to the tourists, said the Tourism Minister. In Himachal Pradesh if the tourists were to be greeted by litter and garbage all over a tourist spot. A travel agent from Dalhousie was of the view that tourists would not mind paying even up to Rs 100 in case they know that the money would be utilized for keeping tourist spots neat and hygienic. (Tourists have to pay cess to visit HP's hot spots, On Mahajan, The Pioneer.D, 17.2.2005, S 20)

### S 40: Union Territories

The Andaman & Nicobar Islands in the next five years will have enough plantation of palm to generate business worth Rs five crore said Lt governor Ram Kapse. Mr Kapse, who was speaking to the media persons at the sidelines of the seminar on 'Conservation of Biodiversity in A&N Islands jointly organized in Capital on Thursday by Indian Institute of Public Administration and the Port Blair based Island Development & Training Institute, said that he has asked the Central government to extend a loan of Rs six crore to the Forest Corporation to undertake some work. He said that the corporation's work came to a standstill on account



of the Supreme Court's verdict banning felling of trees. He said, "The Supreme Court has asked for an action plan to be prepared. We have already prepared a draft and sent it to the Central government. Once the action plan is approved the Forest Corporation will get some work which would result in direct and indirect employment opportunities."

The Lt governor has planned to generate employment opportunities through eco-tourism, fisheries and food processing. He said the Union tourism ministry is now finalizing the eco-tourism policy for A&N Islands. He also urged the Indian Airlines and Jet Airways, which are operating flights to A&N Islands to extend the benefits of apex fares to visitors and tourists. He said that Rs 5 crore budget has been proposed for development of high value agriculture in the islands. (Andaman & Nicobar palm plantation to generate business, S40, FE-26-11-04)

In a bid to attract more tourists and develop tourism, the Pondicherry Tourism and Transport Development Corporation (PTTDC) set up a boat club at the Ossudu Lake. Inaugurating the boat club, Chief Minister, Mr. N. Rangasamy, said the number of tourists to Pondicherry was increasing every year. Spiritual and heritage tourism was an added attraction in Pondicherry. He said since the economy of the Union Territory was growing every year and the allocation by the Centre was fully utilized, there was no cut in its allocation. Stating that tourists would not be allowed to take plastic articles into the boat club, he said the administration was introducing only pedalled boats to prevent pollution. (Boat club to woo tourists to Pondy, S 40, BL, 2.12.04)

Apart from the destruction caused by the tsunami, the Andaman and Nicobar Islands are witnessing another problem a divide between the local tribal population and the mainland settlers. The tribals want the mainlanders to leave. The tribal heads have given a written petition to the Prime Minister, Manmohan Singh. "The mainlanders are wise and clever, and easily exploit us. Their presence has also influenced our culture and tradition." On the other hand, a large number of Sikh families, mainly retired servicemen who settled in the Car Nicobar Islands in 1969 under a Government scheme, have expressed their desire to go back to the mainland. "If we have to start our lives all over again, we might as well do it in our villages," many of them said. There were unconfirmed reports that many families, who were living between Campbell Bay and Indira Point, had left for good. (Andaman tribals want mainlanders to leave, Aarti Dhar, TH.C, 17.2.05, S 40)

Despite the extensive damage caused by the tsunami, the Andaman and Nicobar Islands are now ready to welcome tourists from around the world, according to the Lt. Governor, Ram Kapse. He also mooted a tourism package to include Andhra Pradesh, Tamil Nadu, Kerala, Pondicherry and West Bengal. Tamil Nadu, Andhra Pradesh and the islands could be one package and Tamil Nadu, Kerala and the islands another. There was also the possibility of developing tourist traffic between West Bengal and the islands. They are also aiming that lower airfares and leave travel concessions would help boost tourism. (Andamans ready for tourism, 3.3.05, TH.C. S 40).

## T FOREIGN COUNTRIES

### T 10: South Asia

For a country, which depends heavily on tourism for its survival, the political upheaval could not have come at a worse time. With the Maoist insurgency gaining attention, tourists are already viewing the Himalayan Kingdom with wariness. The upheaval has only sown some more confusion, even though the Nepal tourism board is valiantly attempting to rubbish rumors of a downtrend.

But sources said the travel and tourism industry is bracing for a dip in its revenues due to the changeover. "Despite all the efforts that the board and the industry have been making, there is still a negative image of Nepal, which will require some time to erase. There have been some cancellations, but the influx is not there either," Nepal is heavily dependent on tourism to the extent that nearly 12 per cent of its foreign currency earnings are from this sector, while tourism accounts for nearly three per cent of the country's GDP,

amounting to nearly USD 1.5 billion. In fact, while the country's GDP moved generally southwards during the last few years, tourism revenues have steadily grown, creating the only beacon of hope for the landlocked country. "More than 1,00,000 people are employed directly by the tourism industry". For Nepal, India is of special interest and it is trying hard to ensure the flow remains intact. "Of the four lakh tourists we receive annually, a third is from India. It is our largest volume generating market and we want to ensure travellers are assured of the peace and stability of the country. (Nepal lures back tourists: Democracy Is Not The Only Casualty Of Royal Coup, Anita Rao Kashi, TOI. B, 20.2.05, T 10)

## U INTERNATIONAL ECONOMY

### U00: International Economy, Globalisation

INDIA'S LOOK EAST policy, which was initiated in 1991, is all about making up for time and opportunity lost. The signing of the ASEAN-India Partnership for Peace, Progress and Shared Prosperity at the recent summit in Vientiane marks the culmination of strenuous efforts to win a position of significance and advantage in a dynamic growth region. The East of course is much more than the Association of Southeast Asian Nations with its 10 member countries. ASEAN, established in 1967, might have expanded and deepened its activities more effectively than any other regional association, the European Union accepted. But China, the world's biggest economic success story of the past quarter century; Japan, the world's second largest economy, which has begun to re-power itself after a pain fully prolonged recession; and the Republic of Korea, a robust competitor by any standards, are counterweights as well as partners that help view ASEAN in perspective. They make up a much- envied ASEAN + 3 process into which India has been trying to ease itself. Can it conceivably become MEAN + 4? (Towards Asean +4?, U00, TH, 4.12.04)

### U 30: World Trade Organisation

The World Trade Organization on 6<sup>th</sup> Dec 2004 warned India against opting for regional trade agreements and free trade agreements as the multilateral process would result in larger benefits. A mechanism is being worked out to examine whether the RTAs and FTAs are contributing to multilateral process, according to the WTO Director-General, Supachai Panitchpakdi. He stressed that multilateralism must get primacy over RTAs and FTAs since studies showed that such agreements brought down tariffs by only 10 per cent as against 25 per cent by the WTO. He, therefore, felt that it was in India's interest to spend the same energy in promoting multilateralism since the early conclusion of the Doha Round of trade negotiations would provide larger benefits than RTAs and FTAs. In his view multiple rules of origin and tariff lines could be both confusing and costly. Mr. Supachai said members had agreed to extend the dead- line from January 1, 2005, but a new one had not been fixed. Now, the technical sessions were underway and he felt that it was in the interest of the member countries to ensure that this was completed in time. (Don't opt for regional accords: WTO, U 30, TH-B, 7.12.04)

Foreign universities beware! It may not be the right time to enter India. The task force set up to examine the desirability of signing the General Agreement on Trade in Services (GATS) and its Implications on Higher Education has told the ministry of human resource (MHRD) that the country is not prepared at this stage to open its high education system for global competition. It has raised apprehensions that commodification of higher education would erode the autonomy of universities and academic freedom of teachers. "The education provided by foreigners may not be in tune with the national policy. GATS regime would take away India's legitimate freedom to introduce courses and academic policies, Commercialisation of higher education may encourage only those researchers, having immediate value at the cost of fundamental research, which will be in the end, detrimental to the growth of human knowledge. However, students could benefit, with the entry of foreign universities, as Indian institutes of higher education could be forced to reduce their fee to survive competition. Thus, the GATS rules will intensify profit-oriented competition and may lead to unhealthy struggle to attract students, it states. On the academic front too, it will have its repercussions. To reduce cost, institutions could encourage non-tenured jobs, contractual appointments and casualisation of



academicians, which will adversely affect the dignity of the academic profession. GATS could also force India to reduce public funding of its native institutions and subject these colleges to market forces, thereby depriving students of quality education. (GAT (E) S shut on foreign varsities, Seethalakshmi S, Tol.B, 11.1.05)

The report on "The Future of WTO" by eight eminent persons from a group of top business leaders and economists presented in Geneva to mark the first decade of the world trade monitoring body presumably focuses not only on institutional improvements but also revisits some of the fundamental principles of the multilateral trading system. An important conclusion of consequence for developing countries like India which is not a part of any major regional trading bloc and is only lately discovering the virtue of going in for preferential trading arrangements (PTAs) with like-minded countries, the Board has expressed qualified reservations.

Moving a step further, they say the long-term remedy to the "spaghetti bowl" of discriminatory preferences is through the effective reduction of MFN tariffs and non-tariff measures in multilateral trade negotiations. In this regard, they ask the advanced members of the WTO to consider seriously a commitment to establish a date by which all their tariffs will move to zero. Again, they duly recognise the fact that developing countries, as they increasingly turn to trade liberalization, often could not afford adjustment mechanisms to cushion the short-term impact on employment and other aspects of social welfare. "International development agencies, chiefly the World Bank, should have, or should improve, programmes to fund trade policy related adjustment assistance for developing countries", the Group said.

On WTO's Dispute Settlement Understanding (DSU) which is a positive step in the general system of rules-based international trade diplomacy and which helped many a developing country to wrest victory against arbitrary and unilateral trade policy measures of trade majors, the experts pertinently point out that "any measures or ideas for reform that would create a sort of 'diplomatic veto' or the opportunity for specific disputants to "nullify" or change aspects of the final adopted panel report should be strongly resisted". Considering the fact that out of the five ministerial held in a decade of its existence, Seattle and Cancun meetings came a cropper for want of understanding with divisions between developed and developing countries wider, the Consultative Board has come out with suggestions worthy to ponder over if multilateralism is to be meaningful say trade policy analysts. (WTO: Making multilateralism meaningful, G. Srinivasan, BL.B, 22.1.05, U 30)

### U 31: GATS

The wide-ranging nature of the pact that India has signed with Asean points to the many compulsions, New Delhi faces when it reaches out to the world. In the less-than competition of world markets, securing regional markets through free trade agreements is an urgent necessity. The need for economic cooperation also extends beyond a free market. The WTO in particular, with its one-country-one-vote system, makes alliances imperative for effective negotiations. The changing world order has its political compulsions as well. Some of them are institutional the structure of the UN is many decades out of date. And in a world where terrorism is globalised, it is futile to try and deal with the menace unilaterally. The Asean-India Partnership for Peace, Progress and Shared Prosperity that Dr Manmohan Singh signed on Tuesday at Vientiane tries to reach out in a variety of these directions. There is a commitment to create a free trade area with the five richer Asean members by 2011 and with the other five by 2016. There are also commitments to work together in the WTO, to remodel the UN, and to fight terrorism. (No free rides on free trade, Adjustment Needs Institutional Strength, U 31, ET, 2.12.04)

There is considerable debate surrounding India's move to sign bilateral trade agreements with countries across the globe. How far will India's free trade agreements (FTAs) with individual countries or a group of countries help?

An analysis of the countries with which India has signed FTAs or plans to sign them shows that most of these countries account for less than 1 % of India's trade. Moreover, these are such small countries that it seems

difficult to imagine how trade between India and these countries could grow substantially over time. One explanation in the case of relatively larger countries like Thailand could be that some part of the production base could shift there. The only positive aspect seems to be initiation of trade talks with some of its bigger trading partners in the recent past. (Can FTAs make a difference to the volume of India's trade? By Manika Prem Singh/ETIG, U 31, ET, 18.12.04)

### U 40: International Aid (Bilateral)

In a move that will reduce the interest burden of states, the government is planning to pass loans extended by multilateral agencies like World Bank and ADB directly on to the states as against the present practice of providing it in the form of grants and loans at a higher interest rate. However, states would have bear the risks arising out of fluctuations in foreign exchange rates during the tenor of the loans. The finance ministry is working out the modalities flowing a green signal from the Planning Commission.

Considering the growing debt burden of states, the Plan Panel has given in-principle approval to the 'back-to-back' transfer of funds from external agencies to states, which would bring down the interest outgo of states to 5-7% as against the 9% interest on Central loans to states. The move would also ensure the Centre passing on the external loans to states without any loss on account of exchange rate risks or gain in interest rate differential. Under the proposal, all external grants and loans received by the Centre on behalf of the states would pass on to the states as 100% grant or loan as against the current practice of 70% loan and 30% grant. States would get the same maturity moratorium and amortization schedule that the Centre gets from external lender. Once the proposal is implemented, the states would gain substantially from lower interest payments as current IDA loans carry only 0.75% service charge and no interest, while IBRD and ADB loans carry interest of labor plus 0.3-0.6%. The Centre would continue to avail itself of all forms of external assistance and all projects would be routed through department of economic affairs. In case of special category states, funds would continue to be transferred as 10% loan and 90% grant and the externally aided projects of states would get declined from the scheme of the Central assistance to states plan. (Centre to pass external loans directly on to states, U 40, FE-27-11-04)

### U 41: World Bank

The just-concluded annual meetings of the World Bank and the International Monetary Fund witnessed the Union Finance Minister, Mr P Chidambaram articulating India's views on the global economic outlook and functioning of international financial institutions and their impact on economies of developing countries. Rightly, the thrust of Mr Chidambaram's presentation was on the urgent need to scale up assistance to developing countries and push up lending in a big way to the crucial infrastructure sector. If the World Bank is keen on achieving its core mandate, which is to improve the quality of life and reduce poverty through sustainable and equitable growth, it has to increasingly play a proactive role in ensuring higher flow of development assistance to developing countries. Considering the fact that serious concerns have been expressed over the manner in which these concessional resources are being allocated both the World Bank and the IMF must put in place a mechanism that revolves around transparent allocation criteria. There is a growing feeling that development assistance is being delivered in a piecemeal, uncertain and inequitable manner rather than the twin criteria of need and performance.

Mr Chidambaram's plea to the World Bank and the IMF to step up lending to infrastructure in a big way is in tune with India's ongoing strategy to put the economy on a growth path, which will be possible with better quality of infrastructure services such as power supply, telecommunications, roads, railways, ports and civil aviation. Improving the country's infrastructure requires a massive increase in investment in all these sectors. The resources needed for investment are simply not available with the public sector and as Mr Chidambaram has said the government's main goal is to attract large-scale private investment, both domestic and foreign in key areas of infrastructure sector. Although both the Union and State governments have taken a number of initiatives ever since reforms started in 1991 to attract private investment into infrastructure, the response has not been up to expectations. The principal reason why private investment is not flowing in large volume



is that we are yet to rationalize user charges in infrastructure sector. The establishment of a regulatory regime that is seen to be fair to consumers and also sensitive to the legitimate needs of investors is absolutely essential. (World Bank aid, International assistance and lending is required in the infrastructure sector, FE.B, 9.10.04)

The World Bank's Sustaining India's Services Revolution, 2004 constitutes a comprehensive critique of India's strides in this sector and strategic focus it must maintain for sustained growth. India's software exports rose from \$1.8 billion in 1997-98 to over \$7bn in 2001-02. In a short span of 4 years, BPO services have grown from 4% to 24% of total software exports. India has steadily clambered up the value chain, offering more sophisticated services.

Recognized as the preferred destination for off shoring of, virtually the whole range of services, India attracts customers not merely because of low cost and skilled labour. India is likely to capture more than half of the 2 million jobs, which are to be transferred by the world's 100 largest financial services firms. The value of medical prescription out sourcing in US alone is expected to double to \$4 billion in about a year. India could well garner two-thirds of this increase, thereby creating 45,000 jobs of transcribers. The global market in offshore financial services is projected to be as much as \$356 billion, a large share of which could accrue to India.

India's strategy in WTO negotiations has been largely defensive and needs to take a far more aggressive posture in service sector negotiations. A more aggressive approach has been advocated in GATS modes 1 and 4, in which India has a comparative advantage. It may be possible to take advantage of the growing convergence of interest with MNCs also seeking greater mobility of their personnel. India has an interest in mode 4 well beyond IT-related services. Dynamics of demography across the world and ageing of populations, developed countries are likely to face an increasing scarcity in respect of moderately and less skilled workers. India needs creative approaches to secure free-border trade in services. It calls for an extremely pro-active, bold, innovative long-term strategy to build up the essential pre-requisites of infrastructure to diversify into new segments and improve the value chain in case of sectors, which are already its forte. Indian enterprises will need to go in for a global delivery mode and establish offshore centers abroad. A bold initiative suggested is also that of a strategic bilateral partnership with the US, in fact, a free trade area between the two countries in the field of services. (Harnessing the huge potential of service, U 41, FE)

The World Bank has opposed the implementation of the Rs. 677.73 crore Sujala watershed project by the Panchayat Raj Institutions in the State told by the Minister for Agriculture, K. Srinivasa Gowda, who earlier met a World Bank team of officials led by Grant Milne.

#### Delay feared

The team is of the view that the implementation of the project will be delayed if the Watershed Development Department transfers it to the gram Panchayats. The local bodies lack skilled personnel and the infrastructure to execute, supervise and evaluate the project, the Minister said. In fact, the World Bank signed the agreement on the implementation of the project with the Watershed Development Department. It will be difficult for the gram Panchayats to implement the project, as they do not have the personnel to audit the project regularly and submit certificates to the World Bank, a Finance Department official said.

The State Government issued an order on October 16 transferring over 170 State sector schemes, including externally aided projects, to the Panchayat Raj Institutions along with funds. With that exercise, the district sector plan outlay will get an additional Rs. 1,500 crores over the existing plan outlay of Rs. 1,595 crores. The Government has decided to give the gram Panchayats greater untied funds so that they can perform more effectively. The Sujala watershed project is being implemented since 2001 in Kolar, Tumkur, Chitradurga, Haveri and Dharwad districts (38 taluks) for improving agricultural productivity, vegetative cover, horticulture production, fodder and fuel availability, reducing soil erosion and increasing household income. The project will end on March 31, 2007. The World Bank team visited Haveri and Dharwad districts and was satisfied with the progress of the project. (World Bank opposed to Panchayats executing watershed project, U 41, TH-B,

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Doc Update

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Doc Update

14.12.04)

Small Industries Development Bank of India (Sidbi) has signed a \$100 million loan agreement with the World Bank for implementing a multilateral multi activity flagship project on SME financing and development in India. The loan from the World Bank forms a part of the larger SME fund of Rs 10,000 crore earlier announced by the government and announced by Sidbi. The SME financing and development project has three major components: a credit facility of \$100 million from the World Bank, a risk-sharing facility of \$20 million and a DID-funded technical assistance for policy advocacy, institutional development and business development services. (Sidbi signs loan agreement with World Bank, FE.D, 16.1.05, U41)

The World Bank and International Monetary Fund need democracy. Development organisations, several member countries including Japan, and even the staff of the two organisations have long been demanding that the governance and functioning of the two Breton Woods institutions should be more open and transparent, and non-western countries should get some representation electing the chiefs of the two international bodies. It appears, however, that coaxing the US President and European leaders to democratise the process of electing the heads of two organisations is no less difficult than convincing Iraq's dictator Saddam Hussein to hold free and fair elections in his country. The truth is, no one wants to give away power. For decades, the US and Europe have had a cosy arrangement about appointing the chiefs at the two institutions. The US government appoints the World Bank president, and European governments nominate the managing director of the IMF. It is also important for the world bank while asking developing countries to reduce their "democracy deficit", its governance continues to suffer from it and the World Bank and IMF can improve credibility with the developing world only if they feel some accountability towards the people, affected by their policies. (Democratise the World Bank & IMF, Neeraj Kaushal, ET.B, 22.2.05, U 41)

#### U 43:ADB

The Asian Development Bank's (ADB) seeming back out from the promised loan for the urban infrastructure has put mayors, especially those of Left-run corporations in Kerala, in a dilemma. Contrary to the \$1.255 million approved technical assistance promised last year, ADB now mention only half as much amount. Apart from the ADB project funding, the State Government is expected to contribute the equivalent of \$2,55,000. The fall in ADB share could fail to give a critical mass to the take-off of the project. However, officials at Kerala local self-department - the delivery body for the project - are sceptic about the staggered project pattern. "If the phase II has to wait for fund-flow to open after the long appraisal of the phase I, this would affect the smooth implementation of city infrastructure building," said a senior Government official. Kerala sustainable urban development project, supported by ADB assistance, is slated to strengthen infrastructure in water supply, sewerage, sanitation, surface drainage, solid waste management, urban roads and street lighting. Already the spreads on each of the projects were far too insufficient. (ADB halves funding to Kerala infrastructure projects, M SARITA VARMA, 20.10.04, U 43)

The Cabinet today gave clearance, in principle, for availing itself of a fresh loan, amounting to Rs. 3,168.14 crores, from the Asian Development Bank for the second phase of the Service Delivery Project under the Modernizing Government Programme. The Project is to be implemented over four years covering the Education, Health and Family Welfare, Home, Local Self- Government, Registration, Revenue and Social Welfare Departments and the State secretariat.

About 30,000 institutions under these departments, except those proposed to be covered under the first phase, are to be covered under the second phase of the project. Coverage under the Education Department will, however, be limited to all schools and ten selected Government departments. (State may raise fresh ADB loan, U 43, TH-B, 9.12.04).



## X 11 Social and Political System

If any gram Panchayat fails to abide by the new regulation, the government would stop release of grants for its development projects.

The State government has washed its hands off the burden of electricity bills of over 5,600 gram Panchayats (GPs) across the State, after paying through its nose to cover up bills till the last fiscal (ending March 2004). In a recent notification, the Rural Development and Panchayat Raj department directed- all GPs to foot their own power bills and to ensure that consumption of electricity in all villages coming under each GP jurisdiction is metered.

However, as all GPs are now empowered with direct funds from the Government, they have to take up the responsibility of paying their bills from April 2004 onwards. "It is the GPs' responsibility to see that power supply is metered. However, this has to cover all power consumption under the GP so that there is an exact indication of consumption and expense," the notification stated. Till now, the Government has always taken a lenient stand on the issue of paying up electricity arrears and never took harsh measures like cutting off power supply as this would have directly affected drinking water supply. However, if any gram Panchayat fails to abide by the new regulations, the department would be compelled to stop release of grants due to it. The procedure on how to go about metering, what are the best practices to adopt for payment of bills and other details have been outlined in a special booklet printed for this, the notification stated. Each GP is given an annual grant of Rs 5 lakh, which is credited to its bank account for development projects. Money will henceforth be released only if GPs send proof of paying their electricity arrears to the director of Panchayat Raj, the notification made clear. (State gov. asks gram Panchayat to foot their power bills, X 11, DH-21-11-04).

### Book Review

*Lost in the din on withdrawal tax, and pushed to fringes by the FBT protests, is the 'Bharat Nirman' that Chidambaram spoke of as a business plan "to give rural India a new deal fully involving the Panchayat Raj Institutions".*

*The 'new deal' found ample space in the President's address too, a few days before the Budget. So, I push aside tax tomes to look at a new book on the subject: Energizing Rural*

Development through Panchayats, edited by Bibek Debroy and P. D. Kaushik, and published by Academic Foundation ([www.academicfoundation.com](http://www.academicfoundation.com)). (New deal for rural India, powered by panchayats, Energizing Rural Development through Panchayats, BLC, 12.3.05, X 11)

The notification for the elections has set at rest speculation about the elections being put off by a couple of months. The elections to the two other tiers of the panchayat raj system the taluk and zilla panchayats are expected to be held some time later this year. It is mandatory under the 73rd Amendment to the Constitution for State Governments to hold elections to the panchayat raj institutions every five years.

**Third election:** This will be the third election to be held after the Karnataka Panchayat Raj Act of 1993 came into force, replacing the law passed in 1983 by the Ramakrishna Hegde Government. Barring the first elections held in 1987, four years after the 1983 Act was enacted, the elections to the three tiers of the panchayat raj system have not been held simultaneously. Elections to the gram panchayats were held immediately after the 1993 Act was passed, during the term of the Congress Government led M. Veerappa Moily. But when the results were out, the Moily Government developed cold feet about going ahead with elections to the taluk and Zilla panchayats. It was left to the H.D. Deve Gowda-led Janata Dal Government, which replaced the Congress in the 1994 elections, to complete the process.

**Trial of strength:** Though the elections to the gram panchayats are designed to be apolitical, with individuals and not political parties being allowed to contest, it has turned out to be trial of strength among the parties,

who regard the occasion as an opportunity to assess their standing with the people at the grassroots. Till now it has been battle between the Congress and the Janata Dal, with the BJP playing only a marginal role. The BJP never took the panchayat raj elections seriously in 1999 and paid the price for its failure to build up a grassroots-level organisation.

Over the years, the gram panchayats have been greatly strengthened and invested with abundant powers by the State Government. They have total control over the implementation of schemes at the local level, be they drinking water schemes, building roads, running schools or selecting beneficiaries for various government-sponsored schemes.

This has been made possible by the comprehensive amendment of the Act last year and the steps taken to implement activity mapping schemes, under which the functions of the three panchayat raj institutions have been clearly delineate on the principle that what can be done at one level should be done at that level and not at a higher or lower level.

**New powers:** The gram panchayats now have the power to formulate and execute schemes required to meet local needs. They have been vested with authority over the functionaries and for approving payment for work done. (Gram panchayats have more power now, TH.B, 8.2.05)

The State Budget for 2005-06 is likely to allocate more funds for the panchayat raj institutions. For the first time since the panchayat raj system was introduced in the state, the panchayat raj institutions, in general, and the gram panchayats, in particular, will get sufficient funds to implement schemes to meet their requirements instead of having to look to other agencies, including the Government, for the purpose.

**Transfer of funds:** This follows State Government's move transferring schemes, funds and functionaries from the State sector to the district sector for the implementation of schemes under 29 heads, which come under the purview of the zilla, taluk and gram panchayats.

**150 schemes:** The arrangement envisages the transfer of 150 Plan schemes from the State sector to the district sector, which is expected to result in the allocation for the sector going up by nearly 157 per cent. The bulk of the allocation 68 per cent will be for education, rural development, rural water supply, rural housing and minor irrigation schemes.

**Adequate powers:** For the first time since formation of the panchayat raj institutions in the State, the gram panchayats will not only get sufficient funds but will also have all the power to implement the schemes on their own and get their work approved by the gram sabha or ward sabha, meetings of which have been made mandatory. (Substantial hike in outlay for panchayat bodies likely, TH.B, 15.2.05)

## X 12: Tribes and Development

*The government is considering giving clearance to the States to execute public utility developmental works in tribal areas.*

The Centre is preparing a legislation that seeks to give legal rights on minor forest produce to tribals and others who depend on forest produce for their livelihood. Many a times, such people face harassment from police and forest guards. "The Ministry of Environment and Forest is giving a final touch to the draft model legislation titled 'The State/Union Territory Forest Produce (Ownership of Forest Dependent Community) Act, 2005,' Union Environment Minister A Raja informed a Parliamentary Consultative Committee here on Wednesday. According to official sources, Mr. Raja pointed out that though guidelines issued in 1990, envisaged settlement of disputed claims of the tribal population on forestland, to give further protection to genuine tribals from eviction, the Centre might instruct the states not to evict such people unless their claims were probed. With a view to reconcile the objectives of environmental conservation and faster economic growth of the tribal communities who are dependent on forests, the ministry had issued guidelines



in 2003 providing for one time clearance under the Forest (Conservation) Act to public amenities projects such as under ground drinking water supply pipelines, electric cables and telephone lines. To further consolidate the development process in tribal areas, the government is considering giving clearance under the Forest (Conservation) Act to the States for execution of public utility development at works, such as construction of schools, dispensaries, water harvesting structure, laying of electric and telecommunication lines, so that fruits of development reach the remotest parts of the country including tribal areas. The Minister said that not much development work took place in the last three years due to a ban imposed by the Supreme Court in 2000. More than 20 tree species have been permitted to be grown in forest areas under guidelines issued in June 2004, Mr. Raja said, adding that lac cultivation might also be allowed in forest areas. *(Tribals will soon breathe easy with new legislation, X 12, DH, 23.12.04)*

For the first time, the Ministry of Environment and Forest has allowed construction activity in tribal areas and villages on the fringe of forests. The Ministry has issued a fresh set of guidelines allowing a variety of "developmental" construction activities.

In a letter dated January 3, sent to state Principal Secretaries (Forests), the Ministry has asked them to clear construction of schools, hospitals, minor irrigation canals, rainwater harvesting structures, over-head electric and communication lines, power sub-stations, vocational training centres and even police stations and outposts in "tribal villages and forest fringe villages." The letter lists 11 construction activities. The only stipulation is that the forestland diverted for these activities should be less than one hectare and should not involve felling of more than 50 trees per hectare. The forestland will be handed over to government departments and then proposals will be invited from agencies. "The government is committed to delegating more powers to the state government for developmental activity for the larger good," said Environment Minister A Raja. The Bill grants land rights to tribal communities living in forest areas. In an earlier letter sent to all chief secretaries, the Ministry, as an interim measure, had said that tribals and forest dwellers should be spared from eviction drives. The guideline says this will educate the masses and lead to the regeneration and restoration of forests. *(Govt issues fresh set of guidelines, Nirmala Ganapathy, IE.C, 14.2.05)*

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### X 32 Women and Law, Violence against Women

A recent study by the National Commission for Women paints a grim picture of the plight of women in Uttar Pradesh. The report, based on a study of 100 cases, concludes that crimes against women and children are on the rise. According to the sample, two thirds of the women face harassment for not submitting to the sexual demands of their husbands. A woman gets beaten up on an average of every 10 days for saying no to her

husband. Citing statistics from the national crime records, the report states that in the last one year 18,920 cases of harassment against women have been registered. This is 13.4 per cent of the total cases registered in the country. Of this, 31.8 per cent are cases of dowry deaths.

After Madhya Pradesh and Maharashtra, UP accounts for the highest number of rapes on girls below the age of 16. According to the National Crime Bureau Report of 2000, 309 cases of rape where the victims were minors were registered in UP. In the same year NCRB lists 2,211 dowry deaths, 1,958 molestations, 2,870 cases of and 2,575 kidnappings and abductions in the state. Despite the dismal scenario, there is no sense of urgency to remedy matters. For instance, UP has failed to give its recommendations on the Domestic Violence (Prevention) Bill though of the 1.50-lakh cases of violence against women. *(Crimes against women on the rise in UP: Lack of adequate support systems for women and a patriarchal society, where girls are fed on a staple diet of gender differences, are cited as some of the reasons, DH, 26.10.04)*.

Maharastra will soon have a comprehensive stringent law to deal with atrocities against women, Deputy Chief Minister R R Patil declared in the legislative Council. The assurance came after a heated debate on a private member's bill on atrocities against women, which was tabled by a ShivSena member Neelam Gorhe, who is at the forefront of fighting for women's rights. Mr. Patil, replying to the debate, said the proposed enactment would deal with various offences against women, such as sexual harassment at work place and in public places, eve teasing, obscene gestures and even obscene SMS.

A draft bill would be circulated among the women legislators to solicit their suggestions before the final draft is tabled in the legislature. Mr. Patil informed the house that the state government had earlier sent a draft bill to the Centre for approval, but the Union Home Ministry had replied that it was coming out with a Central legislation on the issue, which would be applicable all over the country. However, the Central legislation deals only with sexual harassment at workplace and public places and does not include other offences such as eve teasing and making obscene gestures against women, the minister pointed out. The state government, therefore, has decided to bring forth its own legislation, which will be a comprehensive and stringent act. *(Maharashtra Bill to tackle atrocities against women, X 32, DH, 11-12-04)*

### X 40 Children

One of the most disgraceful and disturbing demographic facts revealed by the 2001 Census is the precipitous decline in the sex ratio for children in 0-6 age group in some of the prosperous states of India. As highlighted by NJ Kurian in these columns (October 21), between 1991 and 2001, while there was an overall improvement of 6 points in the number of women per 1,000 men, from 927 to 933, the child sex ratio declined by as much as 32 points in the cities (from 934 to 902) and by 14 points in the rural areas (from 948 to 934). The pride of place for the sharpest decline in the child sex ratio goes to Punjab 147 points in the towns and 157 in the villages. In 2001, the towns of Punjab had only 789 girl children for 1,000 boys, the villages had 795. If these trends go unchecked, the child sex ratio in Punjab will fall to 500 or less by 2020. Similar will be the situation in Delhi and Haryana. In fact, things seem to be much worse in Delhi, with a sex ratio currently at 762, going by the number of births reported for January to June 2004. The trends are in the same direction throughout the country with only a few exceptions.

The factors underlying these outcomes are complex. Aversion for the girl child is endemic in Indian society, especially among the affluent in the north. Daughters are seen as a liability, as they require dowry to be married off. And with the law of succession as it stands now, daughters can claim a share in the paternal property on the father's death, unless he takes care to leave a will. A son, on the other hand, is seen as an asset and a bearer of the family torch. *(No pride in this prejudice: save the girl child, X 40, FE-B, 19<sup>th</sup> 04)*



Being aware that the sex ratio among infants and children is not up to the mark and with a goal to balance the equation in favour of the girl child, particularly in the rural areas, the Government has come out with the Karnataka State Plan of Action for Children 2003-2010. The action plan, described as a commitment to the children of the State, aims at several definitive goals it intends to achieve by 2007.

In the State, which is placed ninth among the 16 major thickly populated States, 12.94 per cent of the population are children in the age group of 0-6. The gender ratio for total, rural and urban population is 949, 954 and 939, respectively, which has been a cause for concern, though the State was one of the first to come up with its own Plan of Action for Children in 1994, after the Union Government brought out a national action plan, having ratified the U.N. Convention on the Rights of Children.

The present Action Plan is an update of the 1994 plan and has been developed by collecting primary data from various government departments, reviewing the available secondary data from the Census Operations, periodic surveys, and UNICEF's inputs. (Action plan for children launched, X 40, TH, 1.12.04)

#### X 41 Child Rights

The Government is planning to set up a National Commission for Children to safeguard and protect the rights of children. A bill to this effect will be introduced in the next session of Parliament. The Union Human Resource Development Minister, Arjun Singh, disclosed this at a meeting of the Parliamentary Consultative Committee attached to his Ministry. (*National Commission for Children to be set up*, X 41, TH, 9.12.04)

#### X 42 Child Labour (Non-Tourism)

The practice of child labour has become a menace to the whole society. Poverty, illiteracy, castes, lack of social awareness is some of the reasons for the menace to continue without hindrance. Of all these reasons, poverty stands first, forcing the families to push their children into becoming laborers. In several situations, children start working at a very young age because either the head of the family is dead or is an alcoholic. In some other cases, the number of members in the family is so high that it becomes inevitable for even the youngest person to start working. When one tries to find out the root cause for the child labour menace, the only glaring truth is poverty. Illiteracy and lack of social awareness adds on to this. The population in Kolar district is more than 25 lakh out of which 3182 are child labourers, 1382 working in hazardous industries and 1800 working in non-hazardous industries.

The District Labour Department identified 141 child labourers in the district last year and has admitted them in the school started for children who come in from this stream. This year, till day, the department has identified 44 children and as most of these children were school dropouts, they have been admitted to the mainstream schools, said District Labour Officer Chikkanna. There are no large scale industries in the district and as most of them have been made aware of the consequences of hiring child labourers, none of them have hired children below the age of 14 years. Even though the government is committed to eradicate child labour from its root by the year 2007, this is the kind of menace, which will pop its head up the minute one thinks it has been destroyed completely. Spending crores of rupees on eradicating illiteracy will in no way help in eradicating child labour from its root. (*The only way to make every person in the society financially independent: There are so many causes - as to why we have the child labour problem. But should solutions be so far behind, I Priyadarshini, DH, 26.10.2004*)

Hundreds of children in the age group of six to 14 from various schools will get to see the bitter side of childhood. These schoolchildren will be sensitized on child labour and on discrimination of children from Dalit and other vulnerable communities in the area of education between December 6 and 10 in the city.

#### Discrimination

"We have found that children are often taught by parents to discriminate against their class-mates who might be Dalits or from other backward communities. They get the idea that such children were not entitled to receive good education. The campaign intends to raise awareness on rights of underprivileged children among urban school-going kids," the NESA representative said. As part of the campaign, NESA is selling bookmarks to help support the education of these children.

700 schoolchildren to be educated about the problem of child labour.

Street plays in six schools to create awareness.

5,000 poor children to be taken into mainstream education.

In rural areas, parents teach children to discriminate against their classmates from lower castes

Dropouts mostly work in units making explosives, metals and poisonous gases.

(Learn to say no to child labour, X42, TH, 6.12.04)

#### TSUNAMI

India will finalise the blueprint of a road map for the revival of tourism in tsunami-affected areas. This would be based on a model adopted by other countries and on the lines of the Phuket action plan formulated by 62 countries to meet post-disaster contingencies, the Union Minister of State for Tourism, Renuka Chowdhury, said. This is part of a multi-national effort to revive tourism in the affected areas of the sub-continent. She indicated that the Budget proposals for 2005-2006 might contain a special tourism package of incentives for the Northeast. (*Road map for tourism in areas hit by tsunami, TH.C, 22.2.05, TSR*)

A special session of the World Tourism Organization's Executive Council has crafted a plan to help the tourism industries of countries affected by the December 26 tsunami. Tourism industry stakeholders from across the world, who met in Phuket, Thailand on February 1, drew up the 'Phuket Action Plan' that focuses on saving jobs in the sector, reviving small tourism-related businesses and recovering tourist inflows into the affected regions of Asia. Destinations in four countries - Sri Lanka, the Maldives, Thailand and Indonesia - have been identified for assistance under this plan. The main goal of the plan is to hasten the recovery of the tourism sector in the tsunami-affected regions by restoring traveller confidence and maximizing the use of existing tourism infrastructure in these destinations. All regions experienced growth in tourist arrivals, but Asia-Pacific led with 29 per cent, followed by West Asia with 21 per cent and the Americas with 10 per cent (*Action plan for tourism revival in tsunami-hit nations, BL.B, 6.2.05, TSR*)

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The main goal of the plan is to hasten the recovery of the tourism sector in the tsunami-affected regions by restoring traveller confidence and maximizing the use of existing tourism infrastructure in these destinations. Other objectives include creating systems that strengthen the sustainability of the affected destinations and working with the United Nations system on disaster reduction measures in the region. Additionally, the 'Phuket Action Plan' also looks at methods to help small businesses and employees in the tourism sector survive the recovery period. The recovery plan is divided into five operational areas - marketing communications, community relief, professional training, sustainable redevelopment and risk management.



While some of the strategies outlined in the proposal apply to all the affected tourism destinations, others are country-specific. (Action plan for tourism revival in tsunami-hit nations, BL.B, 6.2.05)

The coral reefs of the Andaman and Nicobar Islands are ready for tourists again, just three months after the tsunami ravaged most parts of Nicobar. Come March 29, the Union territory administration is all set for “building a new Andaman and Nicobar Islands” with a series of cultural functions. December 26 earthquake and tsunami have not affected the tourism spots of Andaman district, which is mainly earmarked for tourism. “The Andamans is in the world map. We have spots very popular as far as tourism is concerned. They have not been affected. We have taken pictures of underwater corals and rarely available color full fishes and they are all intact. Havelock and Neil Islands were not affected and are ready to receive tourists. People have already started coming”.

Though the Hut Bay in Little Andaman was damaged by the tsunami, he said that safe sites (raised land/dune/ cliffs) have been located in the bay As the temporary houses are under construction, the 38,778 people living in 149 camps would go to these houses on April 15, before the onset of monsoon. The schools have opened and special examination is going on. The total loss of property due to tsunami is estimated over Rs 3,000 crore. Though the tourist spots have not been affected by tsunami, the loss has been in terms of jetties and ships that ferry between the islands. Efforts are on to rebuild the islands, which include the revival of the UT's economy, which is “pillared” on tourism, agriculture and fisheries.

To promote tourism, the governments of Tamil Nadu, Kerala, Pondicherry, Andhra Pradesh and West Bengal to have combinations of tourism package with Andamans. The Islands' government is already participating in travel and tourism fairs in places like Mumbai, New Delhi, Hyderabad and Chandigarh. (Andamans woos tourist again, sites not Affected By Tsunami, Says Administration, TOI.M, 2.2.05)

The beach umbrellas are back in Phuket, spanking new, like much else in this scenic tourist locale that was battered by the tsunami nearly three months ago. Phuket is beautiful once more, back in business. But that's the point, there's not much business. This Thai resort town needs to exorcise its tsunami ghosts for that. But 'ghosts' are not scaring away tourists from Phuket, the guilt of haying fun in a 'ghost town' is. This guilt is consuming Phuket's tourism, especially its once-bustling beachlife. The scene at joints along the beaches is eerie. The tables are all laid out in the evening but there's hardly a soul around. By midnight, the workers pack up and leave. This is when the 'ghost town' really haunts you.

Phuket is back in business but there isn't much business

**Total toll 270.000+**  
Indonesia: 127,420  
Sri Lanka: 31,003  
India: 10,273  
Thailand: 5,395  
(All confirmed dead)  
(Phuket struggles with ghosts; or is it guilt, Ravi S. Joshi, HT.D, 14.3.2005)



ANNEXURE : I

Tourism statistics of 2004

Department of Tourism, Government of Kerala												
Month wise statistics of foreign tourists - 2004												
FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total	Total
5667	4115	2796	1007	417	1000	4203	1809	2392	4313	4616	38024	38024
12017	12387	7715	5103	4800	5725	7796	6367	7666	12206	14887	109344	109344
7728	3830	3079	889	595	1709	4087	2975	2710	6090	5320	48031	48031
291	190	128	87	123	61	65	47	70	59	340	1799	1799
1150	911	469	328	206	416	610	440	524	831	1079	8242	8242
266	170	80	70	433	83	125	332	113	175	355	2516	2516
544	375	321	182	283	478	560	232	288	402	640	4702	4702
3717	2536	1453	767	356	612	1916	1318	1606	2906	2964	23517	23517
440	296	182	128	189	479	202	163	170	301	229	3129	3129
95	26	41	44	238	39	58	20	43	60	41	947	947
53	34	15	21	31	23	11	23	18	39	22	330	330
359	494	161	219	101	172	205	105	80	196	178	2658	2658
10969	9584	7070	6024	5105	6388	7454	7250	6480	10460	13588	103558	103558
104	89	36	21	57	43	49	22	20	80	133	749	749
43418	35906	23546	14870	12734	17228	27341	21103	22180	38118	44382	345546	345546

Month wise statistics of domestic tourists - 2004												
FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total	Total
14399	13595	13742	15557	13445	12073	10664	14099	15626	19094	18854	185906	185906
78549	74814	79495	90761	73960	103825	77068	80668	90138	98621	99717	1043479	1043479
32629	26842	30874	47174	33461	42922	54422	32159	39483	46386	46217	482283	482283
10808	10811	11435	10660	10252	9750	11386	11247	11937	11582	11378	134661	134661
7856	8439	7559	7952	8245	8055	8556	9065	8707	8661	9056	100729	100729
24256	24460	27670	28977	25093	26028	27336	23908	28309	30349	30720	323645	323645
38526	37502	39810	40494	38419	67681	38101	39395	39986	39180	41650	489331	489331
11989	10261	11854	15025	11526	11370	12429	11865	14040	18249	18986	163084	163084
22072	24039	23834	25448	24208	24564	26309	25059	24654	24572	25890	297203	297203
21241	20354	23245	26839	20967	18334	20013	19182	21652	21307	22205	256015	256015
4688	4576	5693	5550	5003	5101	4604	4441	6131	6793	6255	64540	64540
102259	91089	137659	154866	96261	94356	109273	99864	123758	124897	125308	1378118	1378118
67043	61985	68165	75882	68152	70963	69417	72953	72608	74644	77543	855787	855787
15305	14160	14749	16318	12477	13771	13593	14013	19397	19211	16950	187701	187701
451420	422727	503583	561503	440469	508893	489182	457398	516386	544746	552730	5972182	5972182



## ANNEXURE : 2

### Corporatising tourism

Tourism has moved from the backwaters to the peak, and is suddenly being touted as the new panacea for everything from employment to income distribution. Buzzword, yes, but can we walk the talk? **Habib Rehman**, an army major who has spent the last 30 years in the hospitality industry as a director of ITC Hotels, now chairs the CII's National Committee on Tourism and Heritage. The CII committee hopes to bring corporate models into what traditionally was the domain of babudom. Rehman tells Bachi Karkaria where we have gone wrong and how the CII can right it:

#### Q&A

Why would the CII want to have one more committee? What are the specifics in which it will get involved? Tourism isn't about soft-focus posters; it's about a hard-headed industry with the potential to generate employment, distribute investments and returns, and have a multiplier effect on the economy as a premier think tank, the CII can act as a catalyst for all these, and accelerate government and private sector partnership. It can play a useful role in the balanced development of the sector by choosing the most pressing issues and avoiding wasteful duplication. It can create a common platform to match policies with ground realities.

#### What can the CII bring to the table?

Its wide experience, knowledge and resources accumulated over the years through various streams of industrial and business activity, not just those involving the tourism sector. Most Indian attractions are circumscribed by the season. Tourism alone cannot sustain the massive investments required for modern airports, classy hotels, and other infrastructure like good roads, telecom, shopping malls and entertainment centers at these places. But, integrated with industrial and business development, Aurangabad, for instance, could become a year-round destination (business travel isn't determined by the weather). Such integrated development can create 'tourism fertile areas' that provide surpluses for investments elsewhere. The corporate sector has the ability, the contacts and resources to learn from the experience of other countries.

#### Where have we gone wrong in our approach?

The disheartening development over the 350th birthday of the Taj Mahal is the most recent example of how things go wrong in India. The three principal parties in search of an anniversary that should have been promoted as a global event – the Center, the state, and other related agencies – did no pre-planning, and all went about in an uncoordinated manner. The industry did not get involved at any stage. The result needs little comment. Fortunately, we have jettisoned the 'non-kosher' tag attached to tourism in the socialist years. It is, correctly, no longer considered elitist and hence anti-poor. In fact, the political classes now recognize its potential as a catalyst for development. That is at the ideological level. At the institutional level, tourism hasn't generated the needed degree of collective commitment and purposeful implementation. And at the crucial level the required enthusiasm is yet to build up.

#### Tourism is a multi-sectoral activity dependent on sectors for whom tourism is on differing levels of priority, how does the CII propose to goad them into quicker action. Why should they listen to you?

We need to keep the focus on the fact that tourism is an industry of industries, and unless one agency keeps them all on the same page, everyone loses out. The greatest effort must come from the states within the confines of the federal structure. To become tourism-friendly we need rational taxation, better infrastructure, single window clearances, easy availability of land, an open mind towards entertainment and leisure activities and a professional approach to destination management. Our job will be to keep the holistic structure. The contradictions and mismatch of objectives between the Center and the states could perhaps be alleviated, by

putting tourism on the concurrent list. An indication that things are moving in the right direction is available in the fact that the initiative for building four international-standard convention centers (in Delhi, Mumbai, Goa and Jaipur) has come from the finance ministry.

#### What are the safeguards you intend to have in place to balance the need for tourism revenues with the need to protect the environment, culture and heritage?

The CII hopes to use its corporate muscle to get the message across to ensure that greed does not inflict irreversible damage and kill the golden goose. Ecological protection and the preservation of heritage through education and workshops are high on our agenda. Culture too comes within the ambit of heritage; responsible tourism has to respect social sensitivities. There are several government bodies and NGOs active in this field and it will be CII's endeavour to strengthen their arm.

There is a talk of achieving 10 million tourists in the next couple of years. Do you think it is possible given that it has taken us several decades to barely touch the three million mark?

You know what Napoleon said about the word impossible, therefore, everything is possible. Having said that there are blurred lines, which distinguish the incorrigible optimist, the intellectual dishonest and the plain foolish. Take your pick.

Tourism isn't about soft focus posters; it's about a hard-headed industry with the potential to generate employment, distribute investments and returns, and have a multiplier effect on the economy. (C 30, TOI-B, 29<sup>th</sup> October 2004)

#### Rejoinder to the Corporatising Tourism article By Kavita Kannan, EQUATIONS

This is with reference to the interview of Mr. Habib Rehman, Chairperson, CII's National Committee on Tourism, published on 29<sup>th</sup> of October 2004. Mr. Rehman, who has spent 30 years in the hospitality industry as a director of ITC hotels, has emphasized over creation of infrastructure, inter linkages between various sectors, a closer association with the industry and ways to become tourism friendly. In his opening remarks Mr. Rehman has outlined tourism as “Tourism isn't about soft focus posters, it's about a hard-headed industry with the potential to generate employment, distribute investments and returns and have a multiplier effect on economy.” In the subsequent sections as well, the economic benefits associated with the tourism industry has been highlighted and it appears as if the economic concerns are the prime agenda of CII.

It is well-recognized fact that employment generation and other economic benefits are closely associated with the tourism industry. However, experiences across various regions of the country and world depict that, the need and aspirations of the local communities are marginalised in the course of tourism development. “Who really benefits from the tourism?” is the major challenge before our policy makers, planners and civil society actors and this particular question remains unanswered in this interview as well. The issue has been addressed from a very conventional and industry centric perspective and once again the focus of tourism development has been placed on government and private sector partnership, infrastructure development, development of classy hotels, entertainment centers and shopping malls, single window clearances, easy availability of land, rational taxation, an open mind towards entertainment activities and a professional approach to destination management. On the whole these “new” thrust areas have one single agenda i.e. “corporatising tourism”.

Many of our state governments have already adopted these thrust areas and are ready to promote anything and everything they have, be it ecotourism, hill tourism, beach tourism, heritage tourism, health tourism, ayurvedic tourism, golf tourism or rural tourism. What is missing in these plans and initiatives is the genuine



concern for the local community, benefit sharing and development agenda for the host community. Tourism planning and development is still following a conventional top down approach and though participation of industry has been ensured, there is lack of sensitivity towards host community, their aspirations and needs. Have our policy makers, planners and industry representatives ever analysed whether host communities actually need the tourism as growth engine or not? Do our host communities have fair level of information about the kinds of impacts, both negative and positive, generated by proposed development? Do our host communities have enough preparation to combat the undesirable impacts?

A quick review of the state tourism policies reveals the fact that disinvestments, profit maximization and a greater involvement of private sector participation are the prime agenda of state governments. On the other hand, though ecotourism and community participation have been mentioned, but without any clear-cut guidelines for ensuring the environmental, social and economic sustainability. There is also no assessment available on how the corporatising tourism industry will help the host communities, number of jobs generated at the grassroots level and so on.

Although Mr. Rehman has mentioned that CII will use its “corporate muscle” to ensure ecological protection and preservation of heritage, he has not emphasized on the ways of ensuring these essential notions. Somehow, it appears that corporatising tourism is the best way out and solution of all the problems. If not the same, our state governments have adopted a similar approach and ecological perspective and sensitivity towards host community are missing. The irreversible damages are visible at many tourism destinations. What is needed now is democratizing tourism and not corporatising tourism. If later is applied the damages will be more pronounced and perhaps, it will take another twenty years to evolve a new approach.

### ANNEXURE : 3

#### **Draft National Environment Policy: A threat to ensure Sustainable Tourism** **By Saroop Roy B. R., EQUATIONS**

The Ministry of Forests and Environment has come out with the first draft of the National Environment Policy (NEP) 2004 on 27<sup>th</sup> August 2004. The provision in the review section of the policy to undertake consultations every three years with groups of diverse stakeholders to evolve the policy is commendable. But the draft NEP that has come out was formulated in a very undemocratic and non-participatory manner and under wide protest from the local stakeholders. It was released on the website without communicating it widely through the media and advertisements.

The NEP has seen environment in a compartmentalised manner and has failed to connect sectors such as agricultural and manufacturing, services tourism and current sectoral policies but the ministry has critical lapses in the protection of the environment, wildlife, and access to resources by communities dependent on the forest.

The policy has acknowledged the National Forest Policy, the National Conservation Strategy and Policy Statement on Environment and Development, Policy Statement on Abatement of Pollution and National Water Policy has failed to recognise the guidelines from the international environmental conventions of which India is a signatory like Convention on Biological Diversity (CBD), the Commission on Sustainable Development (CSD) and World Summit on Sustainable Development (WSSD), United Nation's Agenda 21, WTO-OMT's Global Code of Ethics for Tourism, which all infuses sustainability and involvement of local communities in tourism development. This has happened at a time when the World Travel & Tourism Council (WTTC) has rated India far below for among other things on the lack of local participation and tourism sustainability.

The NEP has overlooked tourism as an impacting agent. Instead of giving directives to agencies in development activities like the Ministry of Tourism and State Tourism Departments, the policy linkages is limited only to agencies in charge with implementation of environmental policies. The initiatives like Responsible Tourism Guidelines that the Ministry of Tourism was keen to formulate and operationalised also does not find a mention in the Policy.

But what we have seen is the policy giving recommendations to promote ecotourism in the context of wildlife and forests. Nevertheless the concept of ecotourism raises serious concerns about the way in which it is practised today. In India, what we know from the past experience is that the rich natural heritage and biodiversity hot spots spread out along coasts, backwaters, forests and mountain regions are being promoted in the name of ecotourism. The Protected Areas, which till now had seen limited tourism activities, are targets of intensive tourism development.

In Kerala, the Tourism Department is preparing Master Plan for ecotourism within the Wildlife Sanctuaries and National Park in association with the Forest Department. There has been a major shift in the role of Forest Department from protection to promotion of immense wealth within the forests as a tourism product.

Tourism in Protected Areas is antithetical to the primary goal of biodiversity conservation and that too in the absence of precautionary guidelines and principles. Allowing tourism inside the Protected Areas (PAs) intensifies discrimination against traditional dwellers in the area. Wherever tourism happened, it has resulted in the displacement and marginalisation of the local communities with no or minimum infrastructure, in the name of conservation and allowed in tourists who have no understanding of the intrinsic sensitivity of the PA and it paves way for the environmental destruction as well as unplanned and unregulated tourism.

Another critical issue in the NEP is the move to abate the already inadequate regulatory mechanisms meant to safeguard the environment like the Environmental Impact Assessments and Coastal Regulation Zone (CRZ) notification, thus throwing open sensitive areas for tourism development. It is dismal to say that the NEP has made such a move after the country witnessed enough of such violations and most of the tourism intensive southern states have made a request to dilute the existing CRZ regulations.

The NEP has been perceived in terms of economic rather than environmental protection, for example the terminologies like “investors, stakeholders” denotes the interest on MNCs, TNCs rather than the local communities. It is also failed to give a clear picture on how it will influence the policies of other impacting ministries such as Ministries of Tourism, Petroleum, and Agriculture etc.

The justification and objectives of the new policy should have been clearly stated and should include a long-term vision of India's environment, analysis of linkages to past policies and their success and failures, and an explicit commitment to put environmental security and human survival values above all short-term economic interests.

As a whole the NEP failed to perceive the over all context of drafting such a draft NEP in linking it to the existing policies on socio and economic.



## ANNEXURE 4

### An EQUATIONS Critique on the approach and recommendations of the ADB financed Technical Assistance project (TA 3791-Ind)

#### “ENHANCING PRIVATE SECTOR PARTICIPATION IN INFRASTRUCTURE DEVELOPMENT AT THE STATE LEVEL”

In 2001, the Asian Development Bank (ADB) approved funding for a US \$ 200 million project aimed at reviewing “the legal and procedural foundation for private sector participation (PSP) in infrastructure and to recommend changes in the investment climate...to increase the flow of private money allocated to infrastructure development in the four states” of Gujarat, Karnataka, Madhya Pradesh and Andhra Pradesh. The loan amount was disbursed to the partnering financial institutions IL & FS (Infrastructure Leasing and Financial Services) and IDBI (Industrial Development Bank of India) to be applied to selected and approved infrastructure projects in the four target states.

The recently released final report of this project (prepared by consultants CPCS Transom Limited, Canada in association with Oxford Policy Management, Nathan Incorporated, Economic Research Institute and Luthra & Luthra) summarises the main recommendations for enhancing PSP in select infrastructure sectors (roads, ports, urban mass transit and water and sewerage) that includes draft legislations and policies to be passed by the state governments.

We believe that these recommendations do not respect the economic and social reality of infrastructure development in the states, bypass existing constitutional provisions and regulations and pave the way for a gradual privatisation of essential services in this country. By presenting the ground realities of the water sector in India, this paper comprehensively critiques the project recommendations and highlights their absolute incoherence with the present development needs of the people.

Water privatisation in India has been carried out through two modes. Firstly there are region-specific contracts awarded (short and long term) to private parties through build-operate-transfer (BOT) agreements or through management contracts. The second mode, which is subtler and has long-term impacts, is through water sector reforms that are all encompassing and include institutional reform, deregulation and disinvestment. It is in this second mode that IFIs (International Financial Institutions) like the ADB, World Bank and International Monetary Fund have been playing an influential role over the past decade in India. In this project, the ADB recommends the provision of quality water and sanitation services “to people who want them and are willing to pay for them”. Our critique of the ADB TA report approaches the water sector in India from the legal, regulatory and governance perspectives, giving case studies to substantiate each.

<sup>1</sup> Right to Water, World Health Organisation, February 2003. India is a party to the Resolution of the UN passed during the UN Water Conference in 1977 “All people, whatever their stage of development and their social and economic conditions, have the right to have access to drinking water in quantum and of a quality equal to their basic needs.”

<sup>2</sup> In *Francis Coralie v Union Territory of Delhi* AIR 1981 SC 746 the SC of India held that Article 21 guarantees “...the right to live with human dignity and all that goes along with it ... [I]t must include the right to the basic necessities of life...” Further in *Narmada Bachao Andolan v Union of India* (2000) 10 SCC 664, SC recognised that the right to water is included under right to life and that every State is under a duty to provide clean drinking water to its citizens. This interpretation has been further reiterated in *Andhra Pradesh Pollution Control Board II v M.V. Nayudu* (2001) 2 SCC 62

<sup>3</sup> Public Trust Doctrine is an English Common Law principle. The Supreme Court of India has adopted this as part of the law of the land.

### The ADB-TA report overlooks the basic principle of 'Right to Water'

There has been a strong global movement towards recognising the question of access to water from a human rights perspective. In 2002, the International Committee on Economic, Social and Cultural Rights recognised the 'Right to Water' as an independent right. It states: “...the right to water clearly falls within the category of guarantees essential for securing an adequate standard of living, particularly since it is one of the most fundamental conditions for survival”. Also, the Convention on the Rights of the Child (1990) explicitly discusses the right to water by stating that the provision of adequate nutritious food and clean drinking water are specifically identified as responsibilities of State parties.

Article 21 of the Indian Constitution guarantees Right to Life as a fundamental right. Although it does not make specific mention of water, the Supreme Court (SC) has interpreted Article 21 to include water as a basic necessity of life. In not respecting this interpretation, the ADB recommendations have overlooked the basic principle of 'Right to Water'. The recommendations encourage PSP in water and even acknowledge the right of private parties to participate commercially in the sector. Such recommendations are in violation of the principle of Public Trust Doctrine, which holds that the State is the trustee of all natural resources as they are meant for public use and therefore cannot be converted into private ownership.

### The ADB-TA recommendations are aimed towards giving private parties rights without responsibilities and providing them legal immunity

Reading between the lines of ADB's recommendations to enhance private participation clearly indicates that it is directed towards ridding private players of all responsibility under the argument of 'reducing their regulatory risk' and making infrastructure projects more investor-friendly. In its discourse on reforming domestic regulation in the States, the ADB notes that a rational private player would be looking for an investment opportunity that is low-risk and where legislation, regulation and operating rules are predictable. Therefore, not only must regulation be at the minimum and streamlined but the ideal situation would be to include all roles and responsibilities in the concession agreement to the project itself. In implementing this recommendation one output of this TA has been the drafting of 'Model Concession Agreements', which clearly state that private parties are being granted rights while all social responsibilities rest with the relevant state government/department or municipality. For instance, the draft concession agreement for a highway/expressway project gives private parties the right to levy, collect and retain toll fees while it shall be the responsibility of the State party to obtain all clearances and land use rights for project implementation. In addition, resettlement, rehabilitation and environmental impact mitigation measures remain the responsibility of the State party. As the legality of the concession agreement is final, it seals the legal immunity for private parties.

Such an approach, if applied to the current reality of infrastructure projects in the country will have serious social and environmental consequences. Recent judgements on infrastructure disputes already reveals a dangerous trend of a change in the thinking of the judiciary which favours the 'public good intent' of large projects over the need to safeguard environmental and social concerns.

### ADB recommended 'User Pays Principle' will deny access to water to large sections of the population

The ADB recommends that the 'pragmatic' private player looks for freedom to set prices and collect revenues enough to cover investment and profit. From the consumers' perspective, this would translate into the 'economic efficiency' criterion that users must pay for the actual cost of the service. When applied to the



## Tirupur Case of Water Privatisation in India

The first public-private partnership project in India's water sector was initiated in June 2002 in Tirupur, known for its knitwear industries in western Tamil Nadu's Coimbatore district. The New Tirupur Area Development Corporation (NTADCL) was formed as a nodal agency to execute the water and sewerage project. Tirupur Exporter's Association (TEA) has been instrumental in bringing up this project. It is designed as a Build, Own, Operate and Transfer (BOOT) and contracted to a consortium of private companies like Mahindra & Mahindra, Bechtel (US water Transnational Corporation), United Utilities (Britain), Infrastructure Leasing and Financial services (IL&FS) and Larson & Turbo. Implementation will be in two phases - for industrial use in May 2005 and domestic use in September 2005. The total cost of the project is Rs. 960 crore. The Tirupur Area Development Project aims at supplying a total of 185 million liters per day (mld) to the dyeing industries (115 mld - 62%), Tirupur Municipality Area (35 mld - 19%) and the wayside villages (25 mld - 13%). Water is to be drawn from Cauvery-Bhavani riverbed, 55 km from Tirupur.

The debt equity ratio for the project is 2.17, the norm being 2, which means that the debt component is higher than the equity component of the project. For a Rs 960 crore project, such a ratio would put its financial sustainability under serious question. It must also be remembered that debt burden is finally to be repaid by the local people themselves.

The above details of the project clearly highlight that the project objective is to fulfil the water needs of the industry rather than supply drinking water to the surrounding areas. The Tirupur Area Development Programme Concession Agreement, signed between the Tamil Nadu Government, Tirupur Municipality and NTADCL, has provided for NTADCL to have absolute right to re-allocate the water to other purchasers. Moreover, Erode, another town which receives water supply from the Cauvery will be affected adversely if this project is implemented. This information was not intimated to the Erode Municipality - another instance of giving preference to industrial use over domestic use of limited water resources.

water sector, it can be stated with reasonable certainty that the application of the 'user pays' principle, although economically sound, will prove socially disastrous for the majority of this country's rural and urban poor. This is because most states in the country are already facing a precarious drinking water situation and large portions of even the four target states (AP, MP, Karnataka and Gujarat) have been declared drought-prone for many years now.

The recommendation of ensuring cost-effectiveness and the reduced role for public sector as the service provider, raises serious questions on the fate of public sources of water in rural and urban areas. According to the 54<sup>th</sup> Round of National Sample Survey (NSS) for 1998, 59% of households in urban India did not have sole access to drinking water, which means that they shared water from a public source. By not recognising the importance of public sources of water and not making their provision by private parties mandatory, the ADB has willfully ignored this reality of India's water sector. In this regard, the ADB has not even respected the vision of the National Water Policy 2002, which prioritises drinking water needs of the people by stating that "...water resource development projects should provide for drinking water as a primary consideration."

The concerns over access to water are exacerbated when we recognise that the existing domestic regulatory framework for the water sector is weak. Regulation in water sector has been primarily viewed from an environmental perspective and the critical question of access to water has not been addressed. Access to water has been addressed only through government norms and policies, neither of which is legally enforceable. The situation is more worrisome when we consider that India has not yet defined any Universal Service Obligations (USOs) in the water sector. With the absence of USOs and a clearly defined subsidisation policy, encouraging privatisation in water through application of 'user pays principle' will trigger a grave drinking water crisis among the urban and rural populace.

<sup>4</sup>A clear example of this is the *Civil Action Group v Sethusamudran Project* (December 2004) where the High Court of Madras held that, "In considering development activities, only minimal weight must be given for the protection of environment and local communities."

## THE CASE OF THE GREATER BANGALORE WATER SUPPLY PROJECT

The World Bank has extended 66.7% of the funding for a Rs 658.65 crore project called the Greater Bangalore Water Supply and Sewerage Project that was launched in November 2003. The project is being implemented by the Bangalore Water Supply and Sewerage Board (BWSSB) and it proposes to extend water supply facility to seven City Municipal Councils (Bommanahalli, Byatarayanapura, Dasarahalli, Krishnarajapuram, Mahadevapura, Rajarajeshwarinagara, Yelahanka) and one Town Municipal Council (Kengeri) all of which lie in the outskirts and peripheral portions of the city.

By design, the beneficiaries of the project (ostensibly the residents of these areas) were to contribute 10% of the total project cost through pooled fund mechanism. Accordingly, it was decided that a capital beneficiary amount of Rs 10,000 per domestic and Rs. 20,000 per non-domestic connection would be collected before commencing the work. Such a high connection cost is beyond the reach of most residents in these regions who demanded explanations from the authorities for why the cost was so high. In fact, Mr L. V Moss, a resident of Whitefield, Mahadevapura City Municipal Council (CMC), moved the Karnataka High Court complaining that although, as per the project cost, BWSSB was required to collect only Rs. 18.91 crore from the CMC, a fee of Rs 10,000 per connection was resulting in a total collection of Rs. 43 crore far higher than the required amount. Given this litigation and the persistent denial of residents to pay such an exorbitant amount, the Directorate of Municipal Administration (DMA) conducted a survey in the project area to assess the residents' capacity to pay and accordingly revised the rates. On the basis of this survey, the Government of Karnataka issued a government order on 28<sup>th</sup> February 2005 reducing the charges to Rs 8,500 and Rs 1,5000 for domestic and non-domestic connections respectively.

Although this amount remains beyond the capacity of the poorer residents in these areas, the project has been given the go-ahead with Larsen and Toubro bagging the Rs. 165 crore contract from BWSSB for laying of a 1,600 km ductile iron pipeline for the project. The government order states if the CMCs are not able to cough up the required amount, they will have to take a loan from the Mega City Loans scheme of the ADB. This would lead to people in the project area not only contributing to the pooled fund but also bearing additional tax burden to repay the WB loan.

**The ADB-TA does not appreciate the democratic spirit of local self governance as is enunciated in the Indian Constitution**

While analysing the key impediments to enhanced private sector participation in infrastructure, the ADB TA report makes specific mention of the 74<sup>th</sup> Amendment to the Constitution of India as adding a layer of complexity and conflicting centre-state authority in the institutional framework. It specifically states that "further power sharing with municipal bodies that is envisaged under the 74<sup>th</sup> Amendment to the Constitution will add a layer of complexity concerning decision making authority and jurisdiction for project development and operation".

The 73<sup>rd</sup> and 74<sup>th</sup> Amendment to the Indian Constitution gives legal sanction to institutions of local self-governance such as panchayats (in rural areas) and municipalities (in urban areas). With this amendment, Articles 243G and 243W equips Panchayati Raj Institutions (PRIs) and municipalities respectively with such powers and authorities as are necessary to enable them to function as institutions of local self-governance. The decision-making powers of PRIs and municipalities are extensive (as enlisted in the XI and XII Schedules

<sup>5</sup>According to the estimates of the 54<sup>th</sup> Round of the National Sample Survey (1998), 80% of urban India has access to drinking water but only 20% meets the required health and safety norms.

<sup>6</sup>For example, at the national level, the existing legislations on water are the Water Act, 1974, Water Dispute Act, 1956, Environment (Protection) Act, 1986, Water Prevention and Control of Pollution Act 1974, Water Prevention and Control of Pollution Cess Act, 1977.

<sup>7</sup>These include the policy recommendations of the National Water Policy 2002, the Manual on Water Supply and Treatment published by the Ministry of Urban Development and Poverty Alleviation which specifies norms and standards of municipal water supply for domestic and non-domestic needs.

<sup>8</sup>Universal Service Obligations are requirements imposed to private parties by States and usually involve an agreement to expand service delivery to a previously un-served area or at affordable prices.



of the Constitution) and specifically on water include minor irrigation, water management, watershed development, drinking water and matters pertaining to planning, implementation and management of water resources at the appropriate level of local governance. Following the provisions of 73<sup>rd</sup> and 74<sup>th</sup> Amendment Acts, the National Water Policy 2002, has also recognised the importance of decentralization processes and states that management of water resource for diverse uses should follow a participatory approach by involving users and stakeholders in a decisive and effective manner. With such a fundamental Constitutional mandate, the ADB's addressing of the 74<sup>th</sup> Amendment, as a complexity is an outright questioning of India's federal structure and decentralised governance.

On an extended note, the recommendations of the TA have constantly addressed municipalities not as institutions of local self-governance but 'Urban Local Bodies (ULBs)' thereby indicating a refusal to acknowledge their powers and functions in relation to local governance. For instance, in its discussion on regulation the document is silent on regulatory and control functions to be performed by the local self-governing institutions. Water management also covers the aspect of control and regulation (as mentioned by water policy), which at the grassroots level, local institutions can handle effectively.

The TA recommendations and draft legislations in particular also reflect a lack of clear understanding on what 'local bodies' are and accordingly what powers and functions they have. For example, the draft Infrastructure Act for Karnataka and Madhya Pradesh makes a passing reference to 'local authority' where no clear role and responsibility of municipalities and PRIs have been outlined. Also, in the draft consolidated water policy, agencies like Bangalore Water Supply and Sewerage Board (BWSSB) and Karnataka Urban Water Supply & Drainage Board (KUWSDB) have been defined as ULBs, while municipalities and municipal corporations have not even been mentioned. With a clear lack of conceptualisation in the TA report on "local bodies", further misinterpretation of definition, roles and responsibilities of panchayats and municipalities by the state governments can be anticipated.

**PLACHIMADA-COCA COLA CASE : DENIAL OF RIGHTS TO PANCHAYAT**

*The Perumatty Grama Panchayat has since February 2003, been fighting a case with Hindustan Coca-Cola Company on the allegation of excessive withdrawal of ground water to service its 34-acre premises and bottling plant located at Plachimada, in Palakkad district of Kerala. The Panchayat alleged that Coca Cola has been drawing unreasonable amounts of ground water to service the plant which has resulted in the drying up of surrounding wells and bringing great hardships to the farmers and locals in the region. In action, the Perumatty Panchayat has sought to revoke the license of the company and stop the excessive withdrawal of ground water.*

*In a recent judgment issued on 7<sup>th</sup> March 2005, a Division Bench of the Kerala High Court has held that the Hindustan Coca-Cola Company will be entitled to draw Rs. 5 lakh litres of groundwater a day from its premises in Plachimada without any right for accumulation in case of non-use. The Bench made it clear that the restrictions imposed for the company's consumption would not be applicable if water is drawn for additional requirements such as supply of water to the people in the area. The court held that the Perumatty Grama Panchayat was not justified in rejecting the company's application for renewal of license well before a scientific assessment was made. The court observed that the drying up of ordinary wells was not a phenomenon specific to Plachimada. As could be gathered from the expert committee appointed by the High Court, shortage in rainfall was a contributory factor. By natural seepage during the rainy season, water travels down to the lower reaches. The court said that the fact that wells were drying up at Plachimada in summer, notwithstanding stoppage of extraction of water by the company after March 2004 and keeping the plant idle, had led to the assumption that the allegations of over-exploitation and consequent shortage of water were not true.*

*Although the verdict clarifies that the license shall be granted if the factory possesses permission from the State Pollution Board and Health Department, it nonetheless can be interpreted as a judgment in favour of the corporation that has equated the right of the local people of Plachimada and the Hindustan Coca-Cola Company over ground water resources. Through this judgment, the High Court has taken away the right of the panchayat to issue or revoke a license, conferred by the 73<sup>rd</sup> Amendment of the Constitution. The High Court verdict is nullifying the powers given to the panchayat as per Sections 166, 232, 236 and 241 of Kerala Panchayat Raj Act that confer rights of granting license and conducting inspections within its jurisdictional territory.*

*Although it is possible for the panchayat and the State government to challenge this judgment at the Supreme Court, the case clearly reveals the power wielded by multinational corporations and the difficulties in safeguarding the basic right to access water.*

**The ADB recommendations will lead to the creation of a completely parallel system of governance and regulation at the local level**

At every stage, the ADB TA report has recommended the creation of new 'nodal agencies', 'infrastructure boards' and 'independent regulatory agencies' that are parallel bodies usurping the powers and responsibilities of PRIs and municipalities. Most of these agencies have been created to provide institutional support, convergence or technical assistance in the service delivery mechanisms.

The TA has also suggested, simplifying and streamlining the existing complicated institutional framework, through the creation of "capable nodal agencies" along a generic framework of centralised or line departments of a hybrid of the two. Since PRIs and municipalities at present do not have significant powers and functions in centralised or line department model, in a way, the recommendations of TA pertaining to "institutional arrangements" further bypass the constitutional mandate given to PRIs and municipalities.

In the draft legislation for general infrastructure laws in Karnataka and Madhya Pradesh, formation of an infrastructure board has been proposed, without any representation from PRIs and municipalities. Laying down priorities of infrastructure projects has also been entrusted to board, which is a clear dilution of decision-making functions of local self-governing institutions. Similar to Karnataka Urban Water Policy 2003, the draft infrastructure Act also defines "local authority" in a generic sense, which includes elected as well as "appointed" government agencies. The connotation of "local authority" has been equated with government agencies, with the assumptions that these two should have equal jurisdiction, powers and functions.

Altogether new institutional mechanisms will create parallel institutions, which is clearly visible in case of water user associations (WUAs) in a number of states. These WUAs exercise important powers like making plans, construction, operation and maintenance and decision on rates of water charges, with nominal functions performed by panchayats (the panchayat head is sometimes an ex-officio member of such associations). At the same time, the membership of these associations is limited to few powerful beneficiaries and since these are non-elected bodies, the accountability is not with the people.

Therefore, one the hand TA talks about Indian constitutional provisions and division of powers are factors creating confusion and conflicts, and on the other hand the report itself suggests the creation of a new institutional framework, without clarifying how the "existing confusion will be taken care of". This is a serious internal inconsistency of the document and reflects a clear lack of understanding of existent systems within the country.

**The ADB-TA report does not appreciate the specificity and sensitivities of development in certain parts of the country, identified as 'Scheduled Areas' by the Constitution**

The recommendations given by the TA report to the state governments, to enhance PSP in infrastructure are across the board and do not appreciate the specific economic, socio-cultural and environmental conditions of certain regions of the country like Scheduled. areas.

<sup>9</sup>User participation, private sector involvement, appropriate legal, regulatory and administrative framework are some of the key policy measures pushed by World Bank. On the other hand, key elements of ADB's water policy are water sector reforms, integrated management of water resources, improving the delivery of water services, conservation of water, regional cooperation, improve governance and capacity building.



As per Article 244 of the Constitution, regions of the country where the majority of the population constitute scheduled tribes, have been identified as 'Scheduled Areas' on account of their differential economic, environmental and social milieu. Accordingly, the Fifth Schedule of the Constitution identifies tribal areas in nine states of India - Andhra Pradesh, Jharkhand, Chattisgarh, Himachal Pradesh, Madhya Pradesh, Gujarat, Maharashtra, Orissa and Rajasthan (which means that three out of the four target states in this TA have scheduled areas) while the Sixth Schedule covers the North-Eastern region of the country. Moreover, the Panchayat Extension in Scheduled Areas Act (PESA) has recognised the right of self-rule to tribal regions and respected their own customary laws, modes of living, organisation, traditions, cultural values and strong community based organisations. One of the key provisions under PESA is related to land acquisition. The Act outlines, "acquiring land for development projects and rehabilitation and resettlement of persons affected as a result of any project undertaken in the scheduled areas has to be done in consultation with either the gram sabha or the panchayat at the appropriate level". Such important provisions have not been taken into account in the recommendations.

The TA has recognised the issues pertaining to schedule caste and schedule tribes as "cross cutting social issues" in infrastructure development and also recognised the inadequate infrastructure services available to these communities and existing eviction problems. However the TA report analyses the problem of scheduled tribes from a mainstream perspective by making across-the-board recommendations to be implemented in any and all regions of the country. This is notwithstanding the fact that the Indian government has recognised the uniqueness of Scheduled Areas and accordingly excluded them from the scope of its latest GATS offer (January 2004) to the WTO. Also, keeping in view substantial proportion of tribal population in the states of Gujarat, Madhya Pradesh and Andhra Pradesh, no specific policy recommendation pertaining to infrastructure development in the tribal areas has been suggested. In essence, the TA report has not recognised the unique characteristics of the tribal areas and communities and legislations pertaining to safeguard the interest of these communities. The many instances of water privatisation in different scheduled areas across the country and the consequent difficulties faced by local communities are testimony to harsh realities.

**Owning the river: the case of privatisation of the Shivnath River**

*The Sheonath River, enters Chhattisgarh in Durg district, which is under the Fifth Schedule and has been a source of livelihood to the adivasi farmers and fishermen for centuries. But since it was privatised in 1998, the villagers cannot benefit from the river in any way; they cannot install pumps or tube wells to draw water even a kilometre from the river and people are not allowed to fish, bathe or wash clothes in the river.*

*When the Borai Industrial Growth Centre (BIGC) was set up on the banks of the Sheonath in 1989, the government of undivided Madhya Pradesh committed to the release of water to its industrial units from the Kharkhara reservoir on the Sheonath. Owing to the paucity of funds, the project was put off. Again in 1992 and 1996, the project was revived and shelved for the same reason. In 1998, the BIGC industrial units pressurised the government to sign a 22-year lease (a build-own-operate-transfer - BOOT - agreement) with Radius Water Limited (RWL), giving it absolute right over 23.6 km of the Sheonath and to supply water to BIGC. For the CEO of RWL this deal translates into hard cash of Rs. 600 crores, if the facility operates at its full capacity for the next 20 years, the remaining period of lease. But thousands of local people, who had survived on the river's water for generations, now find themselves without a livelihood. Small farmers can no longer cultivate along the 23.6-km stretch. The use of police force has been reported to keep the locals from using the river water. The community that once owned the river now has no right to access this water. It is agitating against the Chhattisgarh government seeking the termination of the contract with RWL. With the protests intensifying, the Chief Minister decided, in April 2003, to cancel the contract. According to the State government, compensation of Rs. 400 crores will be paid to RWL for the lease period. The main reason for this step was 'adverse media reports on the project'. It is over two years since the government decided to end the lease agreement, but nothing seems to have happened.*

*Local residents admit that the project has improved water supply, RWL has spent Rs. 25 crores in creating the infrastructure, there is a lot of advanced technology involved, but the adivasis cannot access this water. The CEO maintains that this much be, for safety reasons.*

**The ADB's recommendations are paving the way for a GATS-regime in basic services in India**

The liberalisation of basic services like water, education, health, and energy is currently being negotiated by national governments in the World Trade Organisation through the General Agreement on Trade in Services. Although GATS proponents argue that the request-offer approach of negotiations gives governments the complete freedom to choose which sector/sub-sector they wish to open up, the reality of the negotiating processes falsifies their claim. The process of negotiating on commitments within the WTO is motivated by strong political forces where richer countries use their political and economic bargaining power to coerce smaller countries into opening up service sectors that are of interest to the former's corporate lobbies. This is clearly evident in the case of the water sector in India.

Although India has not yet undertaken commitments to open up its environmental services like water under the GATS, it has been badgered with repeated requests to do so from the European Union, United States and other developed nations like Australia and Canada. The European Union's requests to 109 developing countries including India (that were leaked in 2002) clearly reveal the pressure that is being exerted by its corporate lobbies to seek the opening up of developing markets. In its request to India, the EU has asked for commitments from India with regard to collection, purification and distribution services through mains (i.e. urban sewage systems). The request also clearly states that such a distribution *does not imply access to water*.

The approach of this ADB-TA report reveals that the mode of private sector participation it seeks to enhance in the water sector will pave the way for the entry of multinational corporations through the GATS. Its institutional reform and deregulation initiatives are very much in line with the GATS' objective of progressive liberalisation and administering domestic measures in a reasonable, impartial and objective manner. The scope of Article VI of the GATS that addresses domestic regulation is dangerously wide and can be interpreted to include legitimate domestic regulations designed to ensure economic equity, environmental protection, consumer protection and even social justice. The ADB-TA report has already questioned many of these valid regulations and sought to amend them by proposing draft legislations and policies. It is a means for setting the field for the entry of national and international private players by recommending deregulation and institutional reform.

**ANNEXURE : 5**

**Multilateral Organisations, Privatisation and Water Tariff: The Case of Karnataka S. Vidya, EQUATIONS**

*"It is the poor who are the most affected when essential services are privatized"*

**Introduction:**

*"Water is a prime natural resource, a basic human need and a precious national asset. It is vital for realizing the full potential of the agriculture sector and the country's development"*

Karnataka, India's eighth largest state covers an area of about 1,91,791 sq. km. and is situated in the

<sup>10</sup>In the case of water, European services exporters stand alone in their domination of the global market. The world's top two private sector water companies, Vivendi and Suez, control 70% of all private water services between them, with over 200 million customers worldwide. Both are French. Behind them, with 70 million customers, the third largest multinational is Thames Water, now part of German utilities conglomerate RWE. Smaller players on the international scene include SAUR (French), Anglian Water and United Utilities (both British), Cascal (a joint venture between British engineering firm Biwater and Dutch utilities group Nuon) and Aguas de Barcelona (Spanish, but itself 26% owned by Suez). US construction giant Bechtel remains the only non-European multinational with any significant interest in foreign water services, through International Water, its joint venture with Italian utilities group Edison



southwestern part of the Indian sub-continent. It lies between 11°12' and 18°45' north latitudes and 74°12' and 78°40' east longitudes. The State has, at present, a population of about 50 million. The Arabian Sea borders the western side of the entire length 320 Kms of the state. The ground water resources and irrigation potential of Karnataka is 1.61857 m.ha.m. The available ground water resource for irrigation is 1.37578 m.ha.m and for Domestic and Industrial purpose is 0.24279 m.ha.m. The annual rainfall in the state varies from 50 to 350 cm.

In Karnataka privatising basic amenities such as health care services, education, and water is being driven by Multilateral Development Banks (MDBs) who argue that it is only through private sector mechanisms that basic needs can be delivered in the Majority World. These policies are being pushed through loan conditions, and the direct financing of transnational corporations. Selling rights to private institutions, and then having to buy them back again is not a formula for a fairer, more equitable or peaceful world. It is an insidious prescription for generating capital at the expense of the majority of people in the world. The World Bank and the Asian Development Bank are some of the largest financiers of water projects in low-income countries, and the most influential international institutions in policy-making for the water sector.

The MDBs and International Monetary Fund (IMF) have many ways of pressurizing borrowing governments to adopt some variant of water privatization; The ADB, World Bank and IMF are pushing privatisation of water supply systems in three core ways:

1. Imposing water privatisation as a condition of loans and debt relief;
2. Financing water transnational in preference to public enterprises;
3. Encouraging governments to sell water utilities to "reduce national debt".

#### Public Funds, Public Risks- Private Profits

The irony is that the private sector rarely brings in new resources, in project after privatized project, it is seen that the private sector has brought in very little of its own money, and most the finances have come from public funds, or guaranteed with public money. Much of the funding comes from international multilateral or bilateral funding agencies like World Bank or Asian Development Bank. The risk will have to be taken by the public sector, services levels will remain poor and yet the private company will demand soft loans, grants, to take home handsome, assured profits. The reason behind this is the so-called Public Private Partnerships. If the same concessions, guarantees, assured rates of returns are made available to the public sector, it can also raise the same investment, in fact it would be easier since much of the funding comes from public sector. The privatisation process changes this in a fundamental way, it introduced the requirement of full cost recovery when it is not possible, and allows as acceptable the disconnection of the poor from the services. The fundamental framework in which the private sector operates implies that the poor will be out of its ambit.

Governments, instead of ensuring equitable access to water, protecting existing water resources, promoting conservation and safeguarding the ecosystem or helping vulnerable groups, have decided to resolve the water crisis by handing over scarce water resources to the private sector supposedly on the grounds of greater efficiency and productivity. Underlying the privatization efforts of water services is the fact that water is no longer conceived as a human right or a public good but an economic good, a commodity that can be bought and sold to the highest bidder.

<sup>11</sup> www.karnic.in

#### Water privatization and its effect on marginal groups

There has been a recent trend in Karnataka, toward water privatization. Privatization is a generic term used to convey many forms of restructuring in water service provision. However, the most common type of water privatization is also the most controversial. Under these types of arrangements the government enters into a legally enforceable agreement with a foreign multinational corporation. The foreign multinational corporation is then responsible for water service provision. The extent to which the corporation determines how water is provided, to whom, its quality, as well as its price, is up to the negotiated contract.

The goal of privatization is usually "full cost recovery" for water service provision meaning that the users of water bear the full cost of its delivery through payments for water. Water privatization initiatives are often a condition of the World Bank and IMF loan money received by developing countries.

The most serious impact of privatization has been a dramatic increase in the price of water, often such that marginal members of society are unable to afford water for personal use. Those who cannot afford water often turn to unsanitary sources to fulfill their needs, resulting in increased incidence of water-borne disease. Even where people can afford to pay for water, there have been incidences of private corporations with low quality standards having supplied unsafe water that has led to widespread illness.

Women are particularly affected by water privatization. In many countries, women are responsible for obtaining safe water for cooking, cleaning, health and hygiene and/or growing food. When water is privatized, women remain responsible for this task. As such, if water is expensive, women are forced to spend less of their household budget on other essential goods. If a family cannot afford to pay for water, women are responsible for finding free and safe water even if this means walking for many hours a day. In such instances women of the family may be unable to carry all the water needed and young girls will be pulled out of school to help with the task. Moreover, women often care for those who are infected with water-borne diseases because they cannot afford to pay for water or because water-quality is compromised through privatization. The time spent on obtaining water and caring for those who fall ill from unsafe water is time that is not spent on education, income generation, cultural and political involvement, and/or rest and recreation.

#### The step-by-step approach to privatization:

It is typical for the MDBs to require governments to take steps, such as the following:

- Decentralizing
- "Unbundling", or segregating water systems into profit-making and loss-making portions, so that profit-making portion can be more easily privatized. This involves selling off or contracting out financially viable services (e.g. urban water supply)
- Passing water-related laws (e.g. laws that permit foreign ownership of water rights and utilities)
- Promulgating of new regulations.
- Introducing of full cost pricing.
- Launching "public information campaigns" to persuade their citizens that privatization is the best policy option.
- Grant subsidies for corporations and/or poor consumers. When private providers extend services to



poor populations, they can receive performance-based subsidies when delivery of services is verified. However, there are serious administrative costs and constraints to such schemes, especially in very poor countries and those with weak governance.

- Commercial or political guarantees to private lenders and investors. A guarantee may promise a private firm compensation for certain losses if, under specified conditions, the host government does not meet its obligations. Guarantees, which are provided by MDBs, export credit agencies and private insurers may shift risk from the private sector to domestic taxpayers. New guarantees may protect investors against currency fluctuations.
- Assurance of a reliable water supply. In this regard, the MDBs may require that borrowers allocate water from low value users (e.g. subsistence farmers) to high value users, e.g. urban water concessions, industry and agribusiness.
- To promote liberalization in unprofitable (usually rural) areas, the Bank increasingly relies on Community-Driven Development (CDD) approaches, such as Social Funds (SFs), which allocate resources to communities that outsource infrastructure construction and social services.

**Implications:**

- The privatisation of water systems and services has serious economic, social, and environmental consequences. Some of which include:
- Increasing Inequality- Privatising advantages those who can pay - it forces people to choose between necessities such as water or health care, education or food.
- Trade agreements- When water is treated as a private commodity, it is open to the same conditions as other trade able goods. Governments are signing International trade and investment agreements, which supersede national law, resulting in them losing their ability to protect water sources. Commitments to water market liberalization under the framework of trade agreements such as the General Agreement on Trade in Services (GATS) further entrench the notion of water as a trade able commodity.
- Environment- As soon as a price is put on water, which is going to buy it for the environment? As corporations are dependent on increased consumption to generate profits they are much more likely to invest in desalination, diversion or exporting water as opposed to conservation measures.
- Threatens Democracy- Democratic and community involvement in water management decisions is essential. World Bank agreements, however, are considered to be "intellectual property" and therefore the public has no access to the terms or details of Bank projects that affect their lives. The IMF, ADB and the World Bank are not appropriate institutions to be making decisions about water management, as they are not democratic, accountable or transparent institutions.
- Health Risks- Water management and testing companies have concealed information about health risks, resulting in widespread illness, and in some cases death. Water corporations are primarily interested in profits, not the health of people.
- Labour Issues- We need people to properly maintain and manage healthy water supply systems. Many cases worldwide have shown that when the labour force is drastically reduced due to privatisation, disasters are more likely to occur. In the water sector, public systems worldwide employ five to ten employees per 1,000 water connections, while private companies employ two to three employees per 1,000 water connections.

**Conclusion**

The state is responsible for violations of the right to water even where such violations result from actions of a third-party water service provider. As such, we must continue to hold our government's accountable when the right to water is violated through privatization. It is vital to improve the access to, and affordability of, quality water services. However, many public-private partnerships have failed to deliver on their promises. Where efficiency and profitability are the primary goals, the private sector will not assume responsibility for protecting secure access to water supplies by poor people or for water quality. Private water firms have a shoddy record of environmental and social accountability. Frequently, regulators are weak and lack independence, which invites abuse by private firms. In many cases, the public says "no" to public-private partnerships and calls for improved public provision that takes into account the needs of the poor.

## INDIAN TOURISM : CURRENT ISSUES

### A Statement of Concern

As EQUATIONS enters its 19<sup>th</sup> year of experience and existence in critiquing tourism issues in India, it is challenged by several concerns on the horizon today, a scenario that is likely to persist and extend in both magnitude and implications as we approach the 21<sup>st</sup> century.

### Towards a Critique: Some Statements

In the context of neo-colonisation

- Tourism has to be viewed in the context of a development model which has a political character;
- Tourism development has taken place along with increase elitism, authoritarianism, militarism and various forms of state repression in different parts of the World: all of these are threats to the culture, economy and empowerment of communities;
- Tourism development along with globalisation process threatens the sovereignty of a nation (in the broadest definition of nation);
- Tourism eulogizes a certain consumptive and luxurious lifestyle which is unsustainable by any means;
- Tourism promotes net outflow of capital to global market economy especially to the so called development nations;
- Tourism is based on the objectifies view of the world where beaches, sanctuaries and so on are seen as objects of pleasure which negates the sanctity of the objects as well as of possible meaningful relationships between peoples and their environment.

## EQUATIONS VISION AND MISSION

EQUATIONS envisions tourism that is non-exploitative, where decision-making is democratized and access to and benefits of tourism are equitably distributed. We endorse justice, equity, people- centered and movement- centered activism, democratization and dialogue as our core values.

### EQUATIONS Vision

- EQUATIONS envisions a just and equitable world where all people have the freedom and the right to determine their lives and future.
- EQUATIONS envisions tourism, which is non-exploitative, where decision-making is democratized and access to and benefits of tourism are equitably distributed.
- EQUATIONS believes in the capacity of individuals and communities to actualize

### What we do

The varying roles that EQUATIONS plays includes advocacy, center for information resources, educator, watchdog, helping hand, publisher and producer of materials.

### At the local level

- Focus on a particular place or issue
- Documents the tourism movement itself
- Conduct survey with local groups
- Produce background materials on particular situations
- Facilitate scientific research on environmental and related issues.

### At the national level

- EQUATIONS identifies itself as an Indian group, not a global one
- EQUATIONS historical role is as a pioneer who put tourism on the agenda of the national development debate
- EQUATION provides research and publications and is a resources center.

### At the international level

- Provide direct support for local action in South Asia
- Provide resources and information for local action elsewhere develop training and seminars for groups worldwide
- Participate integrally in the new global tourism structure when it emerges.

### Information Collection and Dissemination

- Collaborate with local groups to collect information/inform them about parameters and standards
- Produce brief fact sheets in Basis English so they can readily be translated, and some in local languages
- Produce guidelines for assessing tourism from different perspectives

### Lobbying

- Make the concerns and interest of local communities visible
- Empower them to lobby for themselves and training
- Offer workshops on fundamental tourism issues
- Provide “how to” sessions on: participatory research, communications (including how to publish a newsletter and present audiovisual programs), options for strategy (including legal options)
- Tailor each subject to the particular groups situation and priorities.

### Monitoring

- Learn about hotels entering India, including their investments, corporate behavior elsewhere, and structures.
- Monitor tourism policy, and legislation when will affect tourism issues
- Network with others who can be “eyes and ears”
- Follow global development that affect tourism
- Produce an annual audit showing how tourism in India is faring, from a critical perspective.



## SOURCES INDEX

Asian Age, Bangalore

AAB	Asian Age, Bangalore
BL.B	Business Line, Bangalore
BL.C	Business Line, Chennai
BL.D	Business Line, Delhi
BS.B	Business Standard, Bangalore
BS.D	Business standards, Delhi
DH.B	Deccan Herald, Bangalore
ET.B	Economic Times, Bangalore
ET.C	Economic Times, Chennai
EHC	Express Hotelier and Caterer
ETT	Express Travel and Tourism
FE.B	Financial Express, Bangalore
FE.D	Financial Express, Delhi
GT.G	Gomatak, Goa
GN.G	Goan Times, Goa
HT.D	Hindustan Times, Delhi
HE.G	The Herald, Goa
IE.C	Indian Express, Chennai
IE.D	Indian Express, Delhi
NT.G	Navhind Times, Goa
TOI.B	Times of India, Bangalore
TOI.D	Times of India, Delhi
TOI.M	Times of India, Mumbai
TH.B	The Hindu, Bangalore
TH.B	The Hindu, Bhuvaneshwar
TH.C	The Hindu, Chennai
TH.D	The Hindu, Delhi
TH.O	The Hindu, Orissa
TP	Travel Plus

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EQUATIONS (Equitable Tourism Options) seek to situate the tourism critique within the overall development debate. Our activities include documentation, publications, research and supporting individuals and group involved in concerted action on tourism issues.

